



UNIVERSITY
of ALASKA

Many Traditions One Alaska

Fiscal Year 2008
Operating & Capital
Budget Request

Executive Summary

Prepared by Statewide Planning & Budget
(907) 450-8191

Actual Expenditures and Revenues FY96, FY99-FY06 and Budgets FY06-FY08 by Fund Source (000's)

	FY96	FY99	FY04	FY05	FY06	% Change FY99-FY06 Actuals	FY06 Budget	FY07 Budget	FY08 Budget Request
Expenditures									
Personal Services	216,718.3	222,284.8	327,151.8	347,063.2	377,371.4	69.8%	389,963.5	425,774.0	502,113.9
Other	153,882.1	176,899.2	239,713.3	250,560.8	259,269.1	46.6%	324,338.8	349,659.1	378,023.5
Total Expenditures	370,600.4	399,184.0	566,865.1	597,624.0	636,640.5	59.5%	714,302.3	775,433.1	880,137.4
Revenues									
State Appropriations									
GF	165,699.4	163,354.8	209,736.9	225,287.9	242,388.1	28.4%	242,388.1	274,671.9	343,694.0
GF Match	2,779.8	2,777.3	2,777.3	2,777.3	2,777.3	0.0%	2,777.3	4,777.3	4,777.3
GF MHTRUST	200.8	200.8	200.8	200.8	200.8	0.0%	200.8	200.8	200.8
ACPE Funds									
Workforce Development Funds			2,868.9	2,868.9	2,822.6	N/A	2,822.6	2,882.0	3,134.3
Science/Technology Funds	2,900.0	2,630.0				N/A			
State Appropriations Subtotal	171,580.0	168,962.9	215,583.9	231,134.9	248,188.8	27.6%	248,188.8	282,532.0	351,806.4
Receipt Authority									
Student Tuition/Fees*	48,965.1	48,685.0	61,494.6	69,484.1	78,734.3	*See Note	86,616.6	90,516.6	98,382.2
Indirect Cost Recovery	13,401.7	14,646.7	29,724.0	31,217.0	31,856.5	102.9%	37,183.1	37,183.1	41,311.7
Other University Receipts	58,815.1	85,703.4	89,669.0	95,928.9	97,222.5	4.6%	127,522.3	137,243.2	145,103.6
University Receipts Subtotal	121,181.9	149,035.1	180,887.6	196,630.0	207,813.3	21.4%	251,322.0	264,942.9	284,797.5
Federal Receipts	46,795.0	49,522.9	113,054.4	115,955.3	119,794.1	128.3%	137,797.8	149,524.0	165,049.3
State Inter Agency Receipts			9,357.6	10,405.9	12,069.8		18,800.0	18,800.0	19,794.6
MHTAAR			50.0	50.0	558.0		680.0	825.0	1,085.0
CIP Receipts	2,621.4	1,633.3	2,236.4	2,328.1	2,898.4	36.9%	4,762.2	4,762.2	4,881.6
UA Intra Agency Receipts	28,422.1	29,388.4	45,693.1	40,232.1	42,889.6	55.5%	52,674.0	52,721.0	52,721.0
Receipt Authority Subtotal	199,020.4	229,579.7	351,279.1	365,601.4	386,023.2	53.0%	466,036.0	491,575.1	528,329.0
Revenues Subtotal	370,600.4	398,542.6	566,863.0	596,736.3	634,212.0	42.2%	714,224.8	774,107.1	880,135.4
Other Appropriations**		641.4	2.1	887.7	2,428.5		77.5	1,326.0	2.0
Total Revenues	370,600.4	399,184.0	566,865.1	597,624.0	636,640.5	42.0%	714,302.3	775,433.1	880,137.4

*Commencing in FY03, in accordance with GASB 34, the university is required to report student tuition and fee revenue and auxiliary receipts net of allowances and discounts, with corresponding offsets in scholarships. Without the adjustment for this accounting change, FY03 student tuition and fees at UA would be \$59,749.1, FY04 \$67,754.9, FY05 \$75,849.0 and FY06 \$84,988.3, an increment of 74.6 percent above FY99. For more information see www.alaska.edu/swbudget/publications/tuitiondescription/tuitionindex.xml

** Includes: FY99 \$594.9 for Y2K assessment and remediation, and \$46.5 reappropriation for library books; FY04 \$2.1 in License Plate Revenue; FY05 \$2.2 License Plate Revenue, a \$65.0 reappropriation to UAA, \$631.3 TVEP, and \$189.2 in additional Workforce Development funds; FY06 \$2.5 License Plate Revenue, an FFA State Director for \$75.0 (\$4.6 lapsed) and one-time GF utility distribution of \$2,355.6; FY07 \$2.0 License Plate Revenue, \$4K ETS Chargeback and one-time GF utility distribution of \$1,320.0; and FY08 \$2.0 License Plate Revenue

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UNIVERSITY
of ALASKA

Many Traditions One Alaska

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January 10, 2007

Dear Alaska Legislator:

On behalf of the Board of Regents, I am pleased to submit the University of Alaska's budget request for Fiscal Year 2008.

I would be remiss if I missed this opportunity to thank you. Not just for last year's visionary move to fund UA beyond its fixed costs, but also for the bold decision made several years ago to invest in UA when the price of oil was only \$8.57 per barrel. Gratitude is appropriate, but UA knows you need more than thanks to continue your investment in higher education – you need results.

Well, what of the results? Among other indicators graduation rates are up, strong gains in enrollment are holding steady, and UA is producing trained Alaskans in high demand fields like never before. Moreover, Alaskans are more connected to their university than at any time in history and they are proving it by signing up in record numbers. A majority of college-bound Alaska high school graduates are making UA their college of choice instead of going to school Outside. Until three years ago that had never been true – not at any time since the school opened its doors in 1922. Now, for three years running, we have reversed that trend as Alaska's families feel more and more confident in UA's ability to deliver a rigorous, relevant education. This is a major development because statistics show these students remain in the state after their education, thereby forming the foundation of a skilled workforce.

UA embraces results-oriented strategies. Since the late 90s, UA has been on a dogged mission of accountability that has undergone the scrutiny of a full audit by the Legislative Budget and Audit Committee, multiple hearings and probes from the Senate University Oversight Committee, as well as audits and examinations from outside groups like Commonwealth North and others. UA has proven it has a culture of accountability that has withstood the measure of disinterested and skeptical third parties. We do not just strive for accountability – we *are* accountable. The Board of Regents and I personally demand it of this institution.

For your convenience, the budget separates unavoidable fixed cost increases from those needed to invest in the future workforce and research demands. We have clearly laid out the costs needed to create more workers in high demand fields in anticipation of the coming gas line economy.

As always, UA's operations are transparent, and should you need information on any part of our budget, please contact us at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark R. Hamilton", written over a light blue rectangular background.

Mark R. Hamilton

Website References

University of Alaska

<http://www.alaska.edu/>
Systemwide homepage.

University of Alaska, Statewide Planning & Budget

<http://www.alaska.edu/bir>
Links to information about the University of Alaska budget and institutional research topics.

University of Alaska, Performance-Based Budgeting

<http://www.alaska.edu/swbudget/pm/details.xml>
Information and documents regarding Performance-Based Budgeting.

University of Alaska, Academic Affairs

<http://www.alaska.edu/swacad>
Links to initiative information and forms.

University of Alaska, UA in Review

http://www.alaska.edu/swoir/publications/uar_docs/main.xml
University of Alaska factbooks by year. Includes information about budgets, students, academics, faculty and staff, and institutional data.

University of Alaska, Statewide University Relations

<http://www.alaska.edu/uarelations>
Links to legislation and budget information with the potential to impact the University of Alaska.

University of Alaska, Board of Regents

<http://www.alaska.edu/bor>
Links to information about the Board of Regents' activities and policies.

Alaska Legislature, Legislative Finance Division

<http://www.legfin.state.ak.us/>
Information and links to state budget data.

State of Alaska, Office of Management and Budget

<http://www.gov.state.ak.us/omb/>
Links to OMB state budget information.

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University of Alaska
FY08 Operating Budget Request Summary
(\$000's)

	State	Receipt	
	Approp.	Authority	Total
FY07 Operating Budget			
General Fund/General Fund Match ¹	279,453.2		279,453.2
Technical Vocational Education Program Account	2,882.0		2,882.0
Mental Health Trust	200.8		200.8
Receipt Authority		491,575.1	491,575.1
FY07 Operating Budget	282,536.0	491,575.1	774,111.1
FY08 Retirement Funding Requirement			
FY08 Retirement Funding Requirement	37,023.3	3,864.7	40,888.0
Revised Base after Retirement	319,559.3	495,439.8	814,999.1
FY08 Operating Request Items			
Adjusted Base Requirements			
Salary and Health Care Increases	12,988.8	5,783.1	18,771.9
Additional Non-Discretionary Fixed Cost Increases	4,549.5	6,152.2	10,701.7
Subtotal - Adjusted Base Requirements	17,538.3	11,935.3	29,473.6
Total Adjusted Base Requirement with Retirement	337,097.6	507,375.1	844,472.7
Priority Program Enhancement and Growth			
Preparing Alaskans for Jobs	6,708.8	2,840.0	9,548.8
<i>Health (page 55)</i>	2,056.5	680.0	2,736.5
<i>Engineering and Construction (page 57)</i>	930.0	205.0	1,135.0
<i>Fisheries (page 58)</i>	1,000.0	1,000.0	2,000.0
<i>Additional High Demand Programs (page 58)</i>	605.0	270.0	875.0
<i>Strengthening Existing Programs (page 59)</i>	2,117.3	685.0	2,802.3
University Research Investment (Phase 2 of 5)	6,000.0	17,113.9	23,113.9
<i>Biomedical & Health Research (page 13)</i>	1,500.0	4,300.0	5,800.0
<i>Engineering, Transportation and Energy (page 13)</i>	2,000.0	5,700.0	7,700.0
<i>Climate Impact on Alaska's Natural Resources (page 14)</i>	2,500.0	7,113.9	9,613.9
Accountability	2,000.0	1,000.0	3,000.0
<i>Student Success and College Readiness (page 14)</i>	1,500.0	500.0	2,000.0
<i>Academic and Program Support (page 15)</i>	500.0	500.0	1,000.0
Subtotal - Priority Program Enhancement and Growth	14,708.8	20,953.9	35,662.7
<i>Technical Adjustment DNR Project Funding Change</i>	150.0	(150.0)	-
Total FY08 Operating Budget Request	351,956.4	528,179.0	880,135.4

Renewal and Replacement Annual Requirement (Phase 1&2 of 10)-This year's annual R&R requirement is \$43M and represents 2.75 percent of UA's current facilities value. This is the University's highest priority capital request. A solution to accommodate this need for the long term is to build the annual R&R requirement into the operating budget over a ten-year time period. This was introduced unsuccessfully in FY07. Initial GF investment would be \$6 million to cover phase 1 and 2. See page 15 for further explanation.

1) Includes \$4k for SOA Enterprise Technology Services (ETS) Chargeback

University of Alaska
FY08 Operating Budget Request Adjusted Base Detail
(\$000's)

Retirement Summary by Employee Group	State Approp.	Receipt Authority	Total
AK. Comm. Colleges' Federation of Teachers (ACCFT)	4,201.0	580.7	4,781.7
AK. Higher Ed. Crafts and Trades Employees (AHECTE)	1,635.7	7.8	1,643.5
United Academics Faculty (UNAC)	11,306.7	1,440.6	12,747.3
UA Staff, Adjuncts and Graduate Assistants	19,879.9	1,835.6	21,715.5
Retirement Summary Total	37,023.3	3,864.7	40,888.0

Retirement Summary by Retirement System	State Approp.	Receipt Authority	Total
PERS	18,767.2	-	18,767.2
TRS	13,267.3	-	13,267.3
ORP/New TRS/PERS and DC Plans	4,988.8	3,864.7	8,853.5
Retirement Summary Total	37,023.3	3,864.7	40,888.0

Salary and Health by Employee Group	State Approp.	Receipt Authority	Total
AK. Comm. Colleges' Federation of Teachers (ACCFT)	683.3	650.5	1,333.8
Salary Increase (Contract required 2.6% step and 2% grid increases)	431.6	410.8	842.4
Health (Contract requirement of \$1047 per employee per mo)	251.7	239.7	491.4
AK. Higher Ed. Crafts and Trades Employees (AHECTE)	762.7	91.6	854.3
Salary Increase (Contract regulated 3% step and 1.6% grid increases)	386.8	46.5	433.3
Health (Contract requirement of \$1047 per employee per mo)	375.9	45.1	421.0
United Academics Faculty (UNAC)	2,013.3	2,214.5	4,227.8
Salary Increase (Contract regulated across the board increase of 2.7% and 2% market adjustments)	1,311.3	1,442.3	2,753.6
Health (Contract requirement of \$1047 per employee per mo)	702.0	772.2	1,474.2
UA Staff, Adjuncts and Graduate Assistants	9,529.5	2,826.5	12,356.0
Salary Increase (BOR policy of 2.6% step and 2% grid increases)	5,933.6	1,791.8	7,725.4
Health (Board Policy of \$1047 per employee per mo)	3,595.9	1,034.7	4,630.6
Salary Subtotal	8,063.3	3,691.4	11,754.7
Health Subtotal	4,925.5	2,091.7	7,017.2
Salary and Health Subtotal	12,988.8	5,783.1	18,771.9

Additional Non-Discretionary Fixed Cost Increases ¹			
Utilities, Library, and Operating Costs Increases	1,602.7	4,487.0	6,089.7
Risk Management/Insurance Fees	400.0	400.0	800.0
Network Bandwidth	751.4	848.6	1,600.0
Maintenance and Repair (M&R)	1,126.4	416.6	1,543.0
New Facility Operating Costs including M&R	669.0	-	669.0
Alaska Native Science & Engineering Program Building (ANSEP)	200.0	-	200.0
KPC - Ward Building Addition	60.0	-	60.0
Mining and Petroleum Training Services Building (MAPTS)	140.0	-	140.0
Kachemak Bay Campus Addition	140.0	-	140.0
PWSCC Addition	110.0	-	110.0
Large Animal Research Station (LARS)	19.0	-	19.0
Additional Non-Discretionary Fixed Cost Increases ¹	4,549.5	6,152.2	10,701.7
Total Adjusted Base Requirements	17,538.3	11,935.3	29,473.6

1) Technical GF and NGF adjustments made from Nov 1 Board Budget for provisional adjustments of OMB

**University of Alaska
FY08 Operating Budget
Introduction**

The state of Alaska must prepare for a vibrant economic future and the University of Alaska is integral to that future. The oil pipeline of the mid 1970's caught Alaskans by surprise. Without a sufficiently trained workforce, the state was forced to stand by as waves of outsiders took many of the jobs and benefited from the rapid creation of wealth that resulted from the pipeline boom. As we look to Alaska's next few years and see prospects for a similar economic expansion, one issue is clear – Alaskans must be prepared to take the legacy jobs – those that will remain long after a gas line is constructed.

In the last eight years, the University of Alaska has consistently identified high demand occupations and responded with the help of the Legislature and industry partners. The results have been outstanding. Students have been drawn to those programs and upon graduation, recruited by Alaska-based companies to work in their chosen field. Nursing alone has produced more than 100 additional graduates each year with remarkable savings to employers and a reduction in out-of-state workers.

The FY08 request is designed to maintain these existing programs as well as allow for growth in other high demand areas. After considerations for fixed costs and adjusted base, the request for program growth will include investment in: High demand programs to prepare Alaskans, Competitive Research, and Accountability Measures in Student Success.

The state-funded retirement requirement at \$40.8M with \$37M from GF and \$3.8M from NGF represents the full actuarial rate set for FY08 by the Alaska Retirement Management Board (ARMB). This actuarial has far reaching, unintended consequences. Therefore, the university has sent a proposal to the State to fund TRS directly rather than through an employer rate increase. This would allow the K-12 formula to remain steady and UA to maintain its competitive research position. A copy of the proposal is included on page 98.

FY08 Operating Budget Request Summary

	<u>State Approp.</u>	<u>Receipt Authority</u>	<u>Total</u>
FY07 Operating Budget	282,536.0	491,575.1	774,111.1
FY08 Retirement Funding Requirement	37,023.3	3,864.7	40,888.0
Revised Base after Retirement	319,559.3	495,439.8	814,999.1
FY08 Operating Request Items			
Adjusted Base Requirement	17,538.3	11,935.3	29,473.6
% Change	5.5%	2.4%	3.6%
Program Priority Program Enhancement and Growth	14,708.8	20,953.9	35,662.7
% Change	4.6%	4.2%	4.4%
<i>Technical Adjustment DNR Project Funding Change</i>	<i>150.0</i>	<i>(150.0)</i>	<i>-</i>
Total FY08 Operating Budget Request	351,956.4	528,179.0	880,135.4
Revised Base after Retirement % Change	10.1%	6.6%	8.0%

Revenue Assumptions

The FY08 state appropriations request of \$352.0M represents a 10.1 percent increase from the FY07 Revised Base after Retirement. The FY08 total budget request of \$880.1M is an 8 percent increase above the FY07 revised authorized budget. With full state support, the university anticipates a \$36.6M increment in non-state revenue, of which \$15.8M is associated with existing programs and services, assuming full funding of the adjusted base requirements. The remaining \$20.8M of non-state revenue is dependent on receiving state investment in priority programs.

University of Alaska

Budget Authority and Actual Revenue by Source FY05-FY08 (000's)

	Budgeted Values			Actual Values			
	FY07 Auth	FY08 BOR Request	% Change FY07 to FY08	FY06 Actuals	Estimated FY07 Actuals	Estimated FY08 Actuals	% Change FY07 to FY08
State Appropriations							
General Fund	274,671.9	343,844.0		244,743.7	274,671.9	343,844.0	
General Fund Match	4,777.3	4,777.3		2,777.3	4,777.3	4,777.3	
General Fund MH Trust	200.8	200.8		200.8	200.8	200.8	
Workforce Development Funds	2,882.0	3,134.3		2,822.6	2,882.0	3,134.3	
State Appropriations Subtotal	282,532.0	351,956.4	24.6%	250,544.4	282,532.0	351,956.4	24.6%
Receipt Authority							
Interest Income	5,600.0	6,053.1	8.1%	5,291.2	5,820.3	6,053.1	4.0%
Auxiliary Receipts	43,746.7	46,226.1	5.7%	40,120.5	41,324.1	43,803.6	6.0%
Student Tuition/Fees(net)	90,516.6	98,382.2	8.7%	78,734.3	87,395.1	95,260.6	9.0%
<i>Student Tuition/Fees(gross)</i>				<i>84,988.3</i>	<i>94,337.0</i>	<i>102,827.3</i>	<i>9.0%</i>
Indirect Cost Recovery (ICR)	37,183.1	41,311.7	11.1%	31,856.5	34,405.0	38,533.6	12.0%
University Receipts	87,896.5	92,824.4	5.6%	51,810.8	56,540.0	61,688.2	9.1%
University Receipts Subtotal	264,942.9	284,797.5	7.5%	207,813.3	225,484.5	245,339.1	8.8%
Federal Receipts	149,524.0	165,049.3	10.4%	119,794.1	129,377.6	144,902.9	12.0%
State Inter Agency Receipts	18,800.0	19,644.6	4.5%	12,069.8	12,431.9	13,426.4	8.0%
MHTAAR	825.0	1,085.0		558.0	825.0	825.0	0.0%
CIP Receipts	4,762.2	4,881.6	2.5%	2,898.4	2,985.4	3,104.8	4.0%
UA Intra Agency Receipts	52,721.0	52,721.0	0.0%	42,889.6	42,889.6	42,889.7	0.0%
Receipt Authority Subtotal	491,575.1	528,179.0	7.4%	386,023.2	413,994.0	450,487.9	8.8%
Total	774,107.1	880,135.4	13.7%	636,567.6	696,526.0	802,444.3	15.2%

FY08 Operating Budget Request Increment Descriptions

Retirement Funding Requirement

Retirement

PERS, TRS and ORP continue to be driving forces in UA's incremental need for FY08. The following represents the new FY08 employer contribution rates for these three retirement programs: PERS 33.75 percent; TRS 54.03 percent and ORP 33.68 percent. These increases are substantial. For comparison purposes, the FY07 employer contribution rates are PERS 20.58 percent; TRS 26.0 percent; ORP 21.0 percent. The new state Defined Contribution plans and UA's new ORP, which caps employer contributions at 12 percent and put into place a year in advance of the state's new Defined Contribution plan, will help mitigate retirement increases. Additional retirement information is included on pages 98-102.

Retirement Systems Employer Contribution Rates

	FY04	FY05	FY06	FY07	FY08
Public Employees Retirement Systems (PERS)*	5.58%	10.58%	15.58%	20.58%	33.75%
Teachers Employees Retirement System (TRS)*	12.00%	16.00%	21.00%	26.00%	54.03%
UA Optional Retirement Program (ORP)*	11.00%	13.00%	16.33%	21.00%	33.68%
New UA Optional Retirement Program (Eff. July, 2005)			12.00%	12.00%	12.00%
New State Defined Contribution Per SB141 (Eff. July 2006)				10.00%	10.00%

*Indicates closed system

Adjusted Base Requirements

Salary and Health Care Increases

(GF: \$12,988.8, NGF: \$5,783.1, Total: \$18,771.9)

This request covers two components: contract and policy mandated salary increases, and health care cost increases. These components are described briefly below. Additionally, page 8 provides the operating budget adjusted base detail including the breakdown of each component by employee group.

- Contract and Policy Mandated Salary Increases**
 The requested amount covers the negotiated contract agreements for ACCFT Faculty (4.6%), AHECTE (4.6%), UNAC faculty (4.7%), UNAD (4.7%) and the policy mandated salary increase (P04.05.040) for UA employees not represented by a union. Also included is an increase for graduate stipends to accommodate a phased approach to reach peer average levels in three years. This current estimate represents an approximate 4.5 percent increment across employee groups.
- Health Care Cost Increases**
 This line item conveys the estimated increment of \$7.0M for Health Care Costs for FY08. This increase represents a 15 percent increase in the UA employer health care contribution per employee per month versus 20 percent in FY07. This is the third year of a negotiated contract

where employer rates increased 20 percent and 17 percent in the first two years. Future contribution rate increases are expected to moderate. The philosophy is the University contribution should cover 80 percent of health costs and through the past increases, UA has met this standard.

Additional Non-Discretionary Fixed Cost Increases (GF: \$4,549.5, NGF: \$6,152.2, Total: \$10,701.7)

This request covers the non-personnel related fixed cost increases described below. These fixed increases, driven primarily by utilities prices, network bandwidth requirements for every day operations, and new facility operating costs, are unavoidable. The operating budget adjusted base detail on page 8 provides a detailed breakdown of the cost for each of the categories below.

- **Utilities, Library and Operating Costs Increases**
This request covers the projected FY08 utility and fuel oil cost increases, depending on campus location, estimated at a 10-20 percent increase over FY07. Anchorage was recently required to switch natural gas providers and is expecting a 20 percent increase in FY08.

This request will also address the fixed costs increases for libraries including increased costs for electronic library materials, digital library licensing, increasing access to web based archives and on-line research and necessary library materials for program expansion and other non-discretionary cost increases in contractual services, commodities, etc.
- **Risk Management/Insurance Fees**
Risk management fees have increased over the past few years. UA has managed its fee increases by adjusting coverage; however, increases are needed to maintain the appropriate insurance coverage. This amount would support required insurance and risk assessment and operation increases.
- **Network Bandwidth**
An increasing amount of network bandwidth is required to maintain instructional delivery, video conference advances, and research strength. Every month UA usage increases with the added technology demands. Minimum funding was dedicated to this in FY07; however, upgrades beyond this will require substantial capital investment.
- **Maintenance and Repair (M&R) Increment**
UA's annual maintenance and repair is calculated at 1.5 percent of current building value. Each MAU is asked to annually increase its M&R contribution in order to keep pace with its ever increasing building value. This request covers the M&R requirement.
- **New Facility Operating and M&R Cost**
This request covers the M&R requirement and anticipated new facility operating costs which include the following: UAA (ANSEP, Ward Building, MAPTS, Kachemak Bay Campus, and the PWSCC addition); UAF (LARS).

Priority Program Enhancement and Growth

Preparing Alaskans for Jobs

(GF: \$6,708.8, NGF: \$2,840.0, Total: \$9,548.8)

In FY07, \$6M of general fund was requested and over \$4M of general fund increases were appropriated and invested in programs addressing high demand occupations, including the Behavioral Health Program Partnership covering rural human services, public policy, vocational education, nursing and

allied health programs at sites throughout the state, and a general baccalaureate engineering program at Anchorage. FY07 was one of the three years since 1999 that state appropriations went beyond fixed cost increases.

The FY08 request will provide funding for additional high demand programs in health, engineering and construction, as well as disciplines with expanding student demand including geography, journalism, business and core disciplines. Marketing and outreach needs also will be accommodated. Examples of specific program investments being proposed include strengthening the master's in public health, expanding the WWAMI program, which provides first-year medical school instruction in partnership with the University of Washington; a dental hygiene program in Fairbanks; additional behavioral health instruction; fisheries and ocean sciences undergraduate and related programs; engineering; and construction management 2+2 program that tracks from a 2-year technical degree to a baccalaureate degree. A detailed description of the programs requesting funding begins on page 55.

University Research Investment (Phase 1 & 2 of 5) (GF: \$6,000.0, NGF: \$17,113.9, Total: \$23,113.9)

This request was included in UA's FY07 budget for \$4M, and received funding of \$1M toward the Joint Psychology PhD, Bio-Med Research and GINA (Geographic Information Network of Alaska). This request represents completion of Phase 1 and 2 of a 5-phase funding increase necessary for Alaska to capitalize on the many benefits of research as an industry. Currently, externally funded research activity fuels over 2,300 jobs in Alaska. At UA, research activity leverages approximately \$7 externally for every dollar from the state. If the state provides a phased approach to increasing its annual university research investment by \$20M and provides capital funding for up-to-date research facilities, over the next five years the state can expect an additional \$120M in externally funded research activity. Additionally, the state's investment and policy direction would create the environment to promote industry research endeavors.

- **Biomedical and Health Research**

This area of research buttresses the University's vastly expanded instructional programs in medical and allied health professions and behavioral health (e.g., doubling nursing output, expanding WWAMI, and a new joint UAF/UAA PhD in Psychology) by further building faculty expertise. It also capitalizes on state and University infrastructure investments (e.g., UAA Integrated Science Building, UAF's WRRB, BiRD, and BIOS, and the State Health and Virology Laboratories), and over \$45M of National Institutes of Health capacity building and competitive research grants. This has been one of the most rapidly growing areas of investment by and in the University over the last several years. It is tightly targeted at recognized Alaska health disparities and emerging health threats such as the avian influenza virus identified in the state report "Health Research in Alaska." In addition to strengthening faculty expertise in areas ranging from nutrition and toxicology to obesity, substance abuse and neuroscience, the University plans to substantially enhance its research into health policy issues including costs and accessibility.

- **Engineering, Transportation and Energy**

The University has greatly expanded its programmatic offerings in engineering and related fields. Research opportunities are stimulated by continued leveraging opportunities offered by the Department of Energy's Arctic Energy Office, and the recently legislated University of Alaska Transportation Center (UATC) and Arctic Engineering Research Center. As just one example of opportunities, UATC is provided up to \$3.5M per year of funding from the Department of Transportation, dependent upon a 1:1 match of non-federal funds. Similarly, with federal support, the Center for Supply Chain Integration at UAA is playing a leading role in

meeting Defense Department needs for modernized logistics planning and management incorporating radio frequency identification devices. These programs have already attracted new industry to the state and started to spin off high technology private enterprises. Research funding needs in these engineering fields and programs include matching funds, augmentation of faculty expertise in targeted areas (e.g., methane hydrate production to enhance our ability to exploit North Slope resources), and a significantly expanded cadre of postdoctoral scholars, research faculty and technical staff.

- **Climate Impact on Alaska's Natural Resources**

Global as well as national and state attention will be focused on climate change in the Arctic and circumpolar northern regions during the upcoming International Polar Year (IPY, 2007-2008). The University has an unparalleled opportunity to take advantage of the unique breadth and depth of in-house expertise in relevant disciplines such as Arctic and marine biology, permafrost and Arctic atmospheric sciences.

The University also believes that Alaska's unique expertise in understanding and adapting to change can lead to economic growth through development and export of new technologies. For example, through the partnership with the Cold Climate Housing Center on the UAF campus, and in agricultural and renewable energy developments with Chena Hot Springs Resort. Strategies include drawing national and international attention to our expertise, in order to enhance competitiveness and help direct federal initiatives toward topics of Alaska interest. Second, cross-disciplinary teams are being formed from current institutes to better address the interacting forces of policy and nature.

These steps require support for team leadership and management, new instrumentation, and the attraction and facilitation of world class research faculty and staff in carefully selected areas to buttress existing strengths. Third, through the State Committee on Research (SCoR), the University has worked with the leadership of the Alaska Departments of Fish and Game, Natural Resources, and Environmental Conservation to prioritize their research needs and identify faculty expertise and programs that can meet those needs. The University requires resources to augment agency and federal investments in existing programs to more precisely target the specific issues that enable state agencies to better capitalize on the state's natural resources.

Accountability

(GF: \$2,000.0, NGF: \$1,000.0, Total: \$3,000.0)

The University continues to demonstrate a high standard of accountability. UA has fully implemented performance-based budgeting (PBB), a process that integrates the previous legislative missions and measures process. Annual campus operating and financial reviews are conducted by the President covering all aspects of campus operations, budgets, enrollment and performance results. The UA administration is improving effectiveness through several accountability and sustainability process improvement projects (ACAS). Additionally, the legislature monitors UA through the ad hoc Senate Oversight Committee formed last year and legislative audits through cost analyses and other studies. The University welcomes and encourages high expectations and scrutiny from public groups such as Commonwealth North, Alaska Workforce Investment Board, municipalities, and chamber of commerce organizations.

- **Student Success and College Readiness**

This request includes strategies for student success. At present, over two-thirds of the degree seeking freshmen enter UA unprepared for the rigors of college level English and math. These

unprepared students are three times less likely to graduate from UA as their colleagues who enter with freshmen level skills. UA is working collaboratively with K-12 in Alaska to find solutions.

The first step to improve the success of under-prepared students is to properly assess their skills and place students in the proper courses to meet their needs. Enhancements in advising support and learning laboratories are needed to ensure students have the guidance and resources to predict success. Innovative course content, delivery and scheduling are currently being developed to meet the needs of the many non-traditional students – workers, parents and distance students.

The second aspect to this broad initiative is outreach to K-12. School teachers, administrators, students and parents must be aware of the expectations of college level work. Communications with school districts, alignment of curriculum and awareness of student knowledge and skills are important UA outreach efforts to help K-12 better prepare students for Alaska's future.

- **Academic and Program Support**

The accountability request will also accommodate academic and program support requests including document imaging, environmental health and safety operations, systemwide information technology requests and grant writing support.

Facilities Renewal and Replacement (Ph 1 & 2 of 10) (GF: \$6,000.0, NGF: \$2,000.0, Total: \$8,000.0)

This item is not a formal operating budget request but is presented here as an alternative solution to UA's annual major capital R&R requirement. It is extremely important that facility renewal and replacement be addressed given UA's amount of deferred maintenance (over \$440M) that has accumulated. The overall goal of this request is to build an annual funding source for UA facility R&R requirements. This year's annual R&R requirement is \$43M and is the highest priority capital request; however, absent full annual capital investments for R&R, another solution is to build an operating fund to meet these needs. This alternative approach to the R&R funding request was unsuccessful in FY07; therefore, the request covers Phase 1 and Phase 2. With an annual investment of \$4M, it will take 10 years to accumulate a \$40M annual R&R fund, which represents the national standard of 2.5 percent to 3 percent of the existing value of UA's facilities.

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University of Alaska
Capital Budget Request Summary
FY08
(\$000's)

	State Approp.	Receipt Authority	Total
FY08 BOR Priority Capital Needs			
Maintaining Existing Facilities and Equipment R&R Annual Requirement	43,700.7		43,700.7
BioSciences Facility (BioS) (Fairbanks)	105,000.0		105,000.0
Reducing Major R&R and Deferred Maintenance Backlog Phase 1	67,366.0	3,000.0	70,366.0
Additional FY08 Capital Funding Requirements			
Nursing and Allied Health Building (Anchorage)	40,000.0		40,000.0
Mat-Su College Joint Library/Auditorium	10,000.0		10,000.0
Student Housing Dorm Addition (Juneau)	2,895.0	2,895.0	5,790.0
WWAMI - Lab Upgrade/ Renovation and Additional Space Needs	475.0		475.0
Small Business Development Center	550.0		550.0
Student Life Facilities (Anchorage & Fairbanks)	29,000.0	19,000.0	48,000.0
Equipment R&R	5,849.0		5,849.0
Planning and Design for New Facilities	2,000.0		2,000.0
Land, Property and Facilities Acquisition	5,500.0		5,500.0
Broadband Internet Connectivity	20,000.0	10,000.0	30,000.0
Receipt Authority		64,150.0	64,150.0
Total	332,335.7	99,045.0	431,380.7

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**University of Alaska
FY08 Capital Budget Request
Introduction**

The Board of Regents' FY08 capital budget request includes three priority capital requests viewed as strategically essential for FY08 funding. These include:

1. UA's Annual Facility and Equipment Renewal, Replacement (R&R) and Code Compliance request of \$43.7M from state funds, which represents 2.75 percent of UA's current facilities value. Major renewals include the Kuskokwim Campus in Bethel, the Anderson Science building in Juneau, UAF's electrical distribution, a phased approach to roof replacement, fire alarm/sprinkler upgrades and wiring/cable infrastructure. This amount of funding is the minimum annual level of funding necessary for UA to avoid adding to the deferred maintenance backlog.
2. UAF's BioSciences Facility (\$94M), including the West Ridge heating capacity expansion (\$11M) for a total of \$105M. This facility has been one of UA's capital priorities since FY02. The original vision of the facility included animal care, computational science, necropsy, virology, incinerator, utilidor, biological research and teaching. Through state funding and significant university generated funding, the Utilidor, the West Ridge Research Building (WRRB), the Biological Research and Diagnostics Facility (BiRD) and the State Virology lab have accommodated much of the original vision. The primary research and teaching facility that completes the science priorities at UAF will be funded through this request. This major teaching and research facility will have a significant impact on both undergraduate and graduate students as well as provide urgently needed research facilities.
3. UA's Major R&R and Deferred Maintenance (DM) Backlog Reduction plan request of \$67M each year for six years to reduce deferred maintenance backlog to an appropriate level. The amount of \$67M annually over a 6-year period represents \$400M. This amount, coupled with the annual R&R requirement, provides the necessary funding to bring UA's facilities to current standards, code and programmatic need.

Investing now in the UA capital budget request will create a "ramp-up" program for Alaska-based companies to build toward competitiveness for gas pipeline contracts. Currently, the up and down nature of state-funded construction projects inhibit such companies in everything from inventory to credit line and bonding capacity. The Board of Regents' number one capital priority is the annual funding requirement for major renewal and replacement (R&R) for existing facilities and equipment. These critical projects need to be done in order to prevent more expensive repair later and will provide Alaska-based companies the competitive edge in the future.

The time is now, simply because when the pipeline comes, there will be virtually no way to get this work done. The construction work force will not be there once the pipeline begins, and will not be there until it is completed. The next five or six years is the only window for the construction ramp-up to get needed work done, help the construction industry and avoid the trap of delay. This is the motivation for the University's pay down approach of the accumulated R&R and deferred maintenance backlog providing additional capital funding over the next six years. A comprehensive plan that provides a set level of state construction projects annually will enable Alaska-based companies to lower their risk of

increased inventory, build a track record of performance, enhance their bonding capacity and be ready for the bids on the pipeline.

Although the three primary capital request priorities above are essential, the UA Capital Budget request includes several smaller strategically important new construction projects, planning, information technology related requests, housing at UAS, student recreation facilities, and a joint library/auditorium at Mat-Su College.

UA's total capital request is \$332M from state funding and \$99M from receipt authority. The three priority capital requests account for \$216M of the \$332M total in state funding requests. Last year's capital state funding request totaled \$250M. Included in the reference section of this book is the Capital Request versus Appropriation History from FY00-FY07 by funding category and MAU.

University of Alaska
Capital Request Detail
FY08
(\$000's)

MAU	Project Name		Campus	State Approp.	Receipt Authority	Total
Maintaining Existing Facilities and Equipment R&R Annual Requirement						
UAF	Bethel Campus Facility Roof, Heating, and Structural Renewal	C	Kuskokwim	4,000.0		4,000.0
UAA	Campus Roof Replacement	M	Anchorage	5,600.0		5,600.0
UAA	Community Campus Cable Plant Renewal	C	Multiple	1,650.0		1,650.0
UAF	Critical Electrical Distribution (PPS)	M	Fairbanks	12,500.0		12,500.0
UAA	Fire Alarm Panel Upgrade	M	Anchorage	500.0		500.0
UAA	Community Campus Fire Systems Upgrade	C	Multiple	300.0		300.0
UAS	Anderson Science Building Renovation	M	Juneau	7,650.0		7,650.0
UAA	Elevator Safety/Code Upgrades	M	Anchorage	750.0		750.0
UAF	Fairbanks Campus Main Sanitary Waste Line Repairs	M	Fairbanks	2,850.0		2,850.0
UAF	Elevator Safety and Modernization Upgrades Phase 4 of 7	M	Fairbanks	450.0		450.0
UAF	Arctic Health Fire Sprinklers Phase 2 of 2	M	Fairbanks	850.0		850.0
UA	Upgrade Core Backbone Network	M	Multiple	650.0		650.0
UA	Upgrade Remote Campuses	M	Multiple	1,000.0		1,000.0
UA	Video-Conference Endpoint Lifecycle Replacement	M	Multiple	375.7		375.7
UAA	Gas Extraction System at Merrill Field	M	Anchorage	575.0		575.0
UAA	EM1 and EM2 Piping Replacement	M	Anchorage	1,500.0		1,500.0
UAF	Fairbanks Main Campus Wide Roof Replacement	M	Fairbanks	1,500.0		1,500.0
UA	Code Projects Community Campus	C	Systemwide	1,000.0		1,000.0
				43,700.7		43,700.7
Priority New Construction						
UAF	BioSciences Facility (BIOS)	M	Fairbanks	105,000.0		105,000.0
Reducing Major R&R and Deferred Maintenance Backlog Phase 1						
UAF	Atkinson Power Plant Critical Utilities Revitalization (PPS)	M	Fairbanks	5,656.0		5,656.0
UAS	Sitka Hangar Code Corrections	C	Sitka	2,900.0		2,900.0
UAA	PWSCC Wellness Center/Student Life Renewal	C	PWSCC	3,000.0		3,000.0
UAA	Community Campus Safety, Code ADA Projects	C	Multiple	415.0		415.0
UAA	Campus HVAC Upgrades	M	Anchorage	2,800.0		2,800.0
UAF	Lola Tilly Food Refrigeration Emergency Power	M	Fairbanks	275.0		275.0
UAS	Hendrickson Remodel and Renovation	M	Juneau	1,580.0		1,580.0

University of Alaska
Capital Request Detail
FY08
(\$000's)

MAU	Project Name		Campus	State Approp.	Receipt Authority	Total
UA	Replacing Obsolete Academic Equipment	M	Systemwide	2,000.0		2,000.0
SW	Butrovich Data Center Renewal	M	Fairbanks	1,500.0		1,500.0
UAA	Mat-Su College HVAC and Boiler Replacement	C	Mat-Su	1,500.0		1,500.0
UAF	Northwest Campus Nagozruk Building Roof and Floor Renewal	C	Northwest	175.0		175.0
UAF	ADA Compliance On-Going Campus Wide	M	Fairbanks	1,500.0		1,500.0
UAF	Upper Dormitory Emergency Egress Code Corrections	M	Fairbanks	1,025.0		1,025.0
UAA	KPC Kenai River Campus Academic Center/Classroom Renewal	C	Kenai	750.0		750.0
UAA	Bookstore/Student Union/Wells Fargo Megaplex Renewal	M	Anchorage	7,000.0	3,000.0	10,000.0
UAA	Electrical Feeder/Panel Upgrade	M	Anchorage	250.0		250.0
UAF	Roads, Curbs, and Sidewalks	M	Fairbanks	3,000.0		3,000.0
UAS	Auke Lake Way Campus Entry Improvements & Road Realignment	M	Juneau	1,940.0		1,940.0
UAF	Patty Center Gymnasium Bleachers Renewal	M	Fairbanks	475.0		475.0
UAF	Eielson/Signers' Hall Code Corrections	M	Fairbanks	5,000.0		5,000.0
UAS	Whitehead Computer Room Upgrade	M	Juneau	200.0		200.0
UAA	Kodiak College Campus Renewal	C	Kodiak	2,500.0		2,500.0
UAA	Building Automation System Renewal	M	Anchorage	750.0		750.0
UAA	Aviation Renewal - Phase II	M	Anchorage	6,500.0		6,500.0
UAF	Arctic Health Research Building Deferred Renewal	M	Fairbanks	500.0		500.0
UAF	Power Plant Code Corrections Phase 3 of 3	M	Fairbanks	3,200.0		3,200.0
UAF	Campus Wide Fire Alarms	M	Fairbanks	750.0		750.0
UAF	Exterior Pathway and Roadway Lighting Replacement	M	Fairbanks	1,500.0		1,500.0
UAF	Gruening Code Corrections	M	Fairbanks	500.0		500.0
UAF	Campus Wide Storm Water Upgrades	M	Fairbanks	650.0		650.0
UAF	Irving 1 Code Corrections	M	Fairbanks	500.0		500.0
UAF	Original Duckering Ventilation Completion	M	Fairbanks	950.0		950.0
UAF	Physical Plant Code Corrections Phase 3 of 3	M	Fairbanks	4,250.0		4,250.0
UAA	Kachemak Bay Campus Renewal	C	Kenai	750.0		750.0
UAF	Cooperative Extension Service Building Renewal	M	Fairbanks	125.0		125.0
UAA	Mat-Su College Science Lab Renewal	C	Mat-Su	1,000.0		1,000.0
				67,366.0	3,000.0	70,366.0

University of Alaska
Capital Request Detail
FY08
(\$000's)

MAU	Project Name		Campus	State Approp.	Receipt Authority	Total
New Construction						
UAA	Nursing and Allied Health Building	M	Anchorage	40,000.0		40,000.0
UAA	Mat-Su College Joint Library/Auditorium	C	Mat-Su	10,000.0		10,000.0
UAS	Student Housing Dorm Addition (Juneau)	M	Juneau	2,895.0	2,895.0	5,790.0
				52,895.0	2,895.0	55,790.0
Medical Program Lab Upgrade/Renovation						
UAA	WWAMI - Lab Upgrade/ Renovation and Additional Space Needs	M	Anchorage	475.0		475.0
Small Business Development Center						
UAA	Small Business Development Center	M	Anchorage	550.0		550.0
Student Life Facilities						
UAA	Student Recreation Center	M	Anchorage	15,000.0	5,000.0	20,000.0
UAF	Campus Life Master Plan Wood Center Expansion	M	Fairbanks	3,500.0		3,500.0
UAA	Student Housing Phase 2	M	Anchorage	9,000.0	14,000.0	23,000.0
UAF	Campus Life Master Plan-Wood Center Renewal	M	Fairbanks	1,500.0		1,500.0
				29,000.0	19,000.0	48,000.0
Academic Equipment						
				2,845.0		2,845.0
Administrative Equipment						
				3,004.0		3,004.0
Planning and Design for New Facilities						
UAF	Engineering and Technology Building Planning	M	Fairbanks	500.0		500.0
UAF	University Public Safety Building Planning	M	Fairbanks	500.0		500.0
UAA	Sports Arena Planning	M	Anchorage	1,000.0		1,000.0
				2,000.0		2,000.0
Land, Property and Facilities Acquisition						
UAA	Homer Building Acquisition and Renovation	C	Kenai	2,500.0		2,500.0
UA	Land Acquisition FY08-FY09	M	Systemwide	3,000.0		3,000.0
				5,500.0		5,500.0

University of Alaska
 Capital Request Detail
 FY08
 (\$000's)

MAU	Project Name		Campus	State Approp.	Receipt Authority	Total
Broadband Internet Connectivity						
UA	Broadband Internet Connectivity	M	Systemwide	20,000.0	10,000.0	30,000.0
Receipt Authority						
UA	Small Project Receipt Authority	M	Systemwide		15,000.0	15,000.0
UA	Systemwide Project, Planning, and Design Receipt Authority	M	Systemwide		40,000.0	40,000.0
UAF	Patty Sports Complex Weight Training Facility	M	Fairbanks		150.0	150.0
UAA	East Campus Parking Structure and Loop Road	M	Anchorage		9,000.0	9,000.0
					64,150.0	64,150.0
GRAND TOTALS				332,335.7	99,045.0	431,380.7

FY08 Capital Requests Project Narratives

FY08 BOR Priority Capital Needs

Maintaining Existing Facilities and Equipment R&R Annual Requirement

(GF: \$43,700.7, Total: \$43,700.7)

This request of \$43.7M from state funds represents 2.75 percent of UA's current facilities value and is the minimum annual level of renewal and renovation investment to maintain UA's existing facilities and equipment. UA has six million gross square feet under roof with asset value in excess of \$1.5 billion. In this year's budget request, the University will emphasize the importance of receiving an appropriation for this category instead of individual project level appropriations as in past years. This change allows the necessary flexibility to dedicate funds to the most critical projects within the category. The projects listed below are based on highest MAU facility and equipment renewal and renovation priorities.

- UAF Bethel Campus Facility Roof, Heating and Structural Renewal
(GF: \$4,000.0, Total: \$4,000.0)
Funding will allow for major renovations and code upgrades for the vocational lab facility including necessary roof repairs, structural upgrades, heating system improvements and exterior rehabilitation. The request also provides for the build-out within the existing structure of a classroom and lab to accommodate the allied health and nursing programs.
- UAA Campus Roof Replacement
(GF: \$5,600.0, Total: \$5,600.0)
UAA will systematically address roofing replacement by re-roofing 5 percent of the buildings each year. This will fund four years of roofing projects on the main campus and two buildings at Kenai Peninsula College.
- UAA Community Campus Cable Plant Renewal
(GF: \$1,650.0, Total: \$1,650.0)
Community campus network cabling and fiber systems are inadequate to meet current and future needs. They have evolved over years without structured planning or maintenance. Telephone and data network services, which depend upon them, have been seriously impacted. This project is a major renewal project for the campus cable plants at Kenai Peninsula College, Kachemak Bay Branch Campus, Matanuska Susitna Campus, Prince William Sound Community College and Kodiak College.
- UAF Critical Electrical Distribution
(GF: \$12,500.0, Total: \$12,500.0)
The existing electrical distribution system at UAF is nearly 50 years old. With the completion of several new facilities, the antiquated equipment must be replaced to assure adequate reliability. To ensure campus power is not shut down, major upgrades must be made to replace switches and cabling and bring the campus distribution system to current code.
- UAA Fire Alarm Panel Upgrade
(GF: \$500.0, Total: \$500.0)
The majority of the buildings on the UAA campus are currently operating with the original fire alarm systems that were installed when the buildings were constructed. Buildings on West Campus are approaching 35 years old. The existing fire alarm systems do not provide the performance offered by today's technology. New addressable systems are readily available which enhance response for building occupants. Replacement components of the existing

systems are no longer manufactured and/or the components no longer carry the UL listing. Notification system requirements under the Americans with Disabilities Act cannot be easily retrofitted into the existing systems. Soon the existing systems will no longer be upgradeable to meet future codes. The analog addressable fire alarm systems have superior features and flexibility for future code requirements. These systems also allow sensitivity adjustments of individual devices from the control panel, reducing the incidences of nuisance alarms, and will reduce maintenance time locating a single malfunctioning sensor. These systems require a new panel that can decrease emergency response time to the sensor signaling the alarm.

- UAA Community Campus Fire Systems Upgrade

(GF: \$300.0, Total: \$300.0)

The existing fire detection and alarm systems at Mat-Su College and Kodiak College are no longer supported by the manufacturer and cannot be upgraded. This project replaces the existing system with an addressable fire alarm system. These systems have superior features and flexibility for code requirements. (See above) They provide better protection for buildings and their occupants and increase the level of safety of public buildings.

- UAS Anderson Science Building Renovation

(GF: \$7,650.0, Total: \$7,650.0)

With the move of the UAF School of Fisheries and Ocean Sciences to the new Lena Point facility in 2008, the Anderson Building will now need remodeling to serve the needs of the UAS Science Department. The project will include classroom, laboratory, faculty office and research spaces, as well as construction of a pedestrian crossing on Glacier Highway.

- UAA Elevator Safety/Code Upgrades

(GF: \$750.0, Total: \$750.0)

UAA Facilities & Campus Services manages the operations and maintenance of an inventory of more than 30 elevators and lifts. With the assistance of a recent condition survey, 17 buildings were identified as needing upgrades to meet current ADA, and code requirements.

- UAF Fairbanks Campus Main Sanitary Waste Line Repairs

(GF: \$2,850.0, Total: \$2,850.0)

Much of the sewer main piping on campus is original woodstave piping dating back nearly 60 years. These mains, though not at full capacity, have far exceeded their useable life. The project will replace several thousand feet of sewer main piping with new modern materials that will last another 60 years.

- UAF Elevator Safety and Modernization Upgrades-Phase 4 of 7

(GF: \$450.0, Total: \$450.0)

UAF Facilities Services manages the operation and maintenance for a fleet of more than 50 elevators and lifts with an average age of over 25 years. With the help of an FY01 audit, 28 elevators were identified as needing modernization upgrades. This request represents the fourth phase of a multi-year modernization plan and will address ADA, code and safety, and deferred maintenance improvements to three elevators. Last year's capital appropriation of \$350,000 provided funding for three elevators.

- UAF Arctic Health Research Building Fire Sprinklers Phase 2 of 2
(GF: \$850.0, Total: \$850.0)
In 2003, UAF completed installing sprinklers in the basement and first floor of AHRB. The remaining portions of the building are still under citation for lack of a fire suppression system. With the projected vacancy of the state virology lab, this space needs to be readied for future backfill and renovations. Per code, the sprinklers must be upgraded as part of other renovations.
- Statewide Upgrade Core Backbone Network
(GF: \$650.0, Total: \$650.0)
This request upgrades the core backbone networks that service the UAF campus and the Statewide system offices to 10 Gigabit ethernet (10GE) to better support the growing demand for high bandwidth user applications. This request provides funding to: procure and install core network equipment and components that are 10GE capable; and procure and install additional on-campus fiber optic circuits to connect buildings to core network hub rooms.
- Statewide Upgrade Remote Campuses
(GF: \$1,000.0, Total: \$1,000.0)
This project replaces aging network hardware located at each UA remote/rural campus that connects back to the UA core network (WAN). This project allows for implementation of modern telecommunications technology, improved performance and connectivity, stability and resiliency of the rural campus network connection.
- Statewide Video-Conference Endpoint Lifecycle Replacement
(GF: \$375.7, Total: \$375.7)
This project will: provide 5-year lifecycle replacement of all video endpoint equipment, upgrade all endpoint equipment upon replacement to H.264 standard, and anticipate expansion of video endpoints as required by programs for all UAA and UAS campus locations. Both MAUs have seen significant growth in the use of video-conference technology for instructional delivery. This project supports that growth and ensures that dependable and sustainable equipment is available.
- UAA Gas Extraction System at Merrill Field
(GF: \$575.0, Total: \$575.0)
The UAA Aviation Technology Center and adjacent hangar property are built over the abandoned Municipality of Anchorage (MOA) landfill. Due to the gases that permeate from the soil from decaying trash, the MOA requires each parcel to have a landfill gas management plan. This plan is required in order to pave the building parking lot that is currently gravel and requires continual effort and expense to maintain. This request is for funding for the design and construction of a landfill gas management system and pavement of the parking lot at the Aviation Technology Center and adjacent hangar property.
- UAA EM1 and EM2 Piping Replacement
(GF: \$1,500.0, Total: \$1,500.0)
The Energy Modules (EM1 and EM2) provide heating services for a number of campus facilities. This project will replace the underground heat piping being served from EM1 and repair the above ground heat piping/fittings in the Wells Fargo Sports Complex.

- UAF Main Campus Wide Roof Replacement
(GF: \$1,500.0, Total: \$1,500.0)
As buildings on campus age, roofing system repairs are required. Funding is required for a multi-year project to replace roofs that have surpassed their useable life. This request will replace approximately 99,000 SF of roof on four buildings.
- UA Code Projects Community Campus
(GF: \$1,000.0, Total: \$1,000.0)
Community campus code and renovation projects often require immediate attention. This provides available funds to accommodate immediate R&R projects at outlying campuses.

BioSciences Facility (BIOS)
(GF: 105,000.0, Total: 105,000.0)

The BioSciences Facility (BIOS) will provide critical instructional classrooms and research lab space for the ever important life sciences. The facility will be 110,000 gross square feet with three stories plus a basement. Funding will complete design, construction and build-out of the facility. This portion is \$94M with an additional \$11M necessary to address the West Ridge heating capacity expansion. The new science intensive building will create a center for excellence in biological discovery and learning. Examples of BIOS research that will be conducted in the facility are:

- treatment for brain injuries and stroke
- progression of invasive plant, insect and animal species
- treatment for depression and seasonal affective disorder
- study of avian flu

Additional information can be found on page 97 or by visiting www.uaf.edu/bios.

Reducing Deferred Maintenance and Major R&R Backlog Phase 1
(GF: \$67,366.0, NGF: \$3,000.0, Total: \$70,366.0)

UA's Deferred Maintenance (DM) Reduction plan request of \$67M each year for six years will reduce the deferred maintenance backlog to a minimal level and represents \$400M. This amount, coupled with the annual R&R requirement, provides the necessary funding to bring UA's facilities to current standards, code and programmatic need. Consistent with the annual R&R request above UA will seek funding for this category as an appropriation instead of individual project level appropriation. The projects below represent the major MAU R&R and deferred maintenance priorities after those included in the annual R&R request.

- UAF Atkinson Power Plant Critical Utilities Revitalization
(GF: \$5,656.0, Total: \$5,656.0)
This project will address revitalization of the highest priority utilities deficiencies. Power Plant renewal items will include the steam and electrical system, water system and the reverse osmosis (lab) water system. This is an initial part of the overall power plant renewal project to be addressed over the next several years.
- UAS Sitka Hangar Code Corrections
(GF: \$2,900.0, Total: \$2,900.0)
Funding is necessary to construct area separations and install code compliant mechanical, electrical and fire systems in the open hangar area of the Sitka Campus facility. This project was funded \$320,000 in FY07.

- UAA PWSCC Wellness Center/Student Life Renewal
(GF: \$3,000.0, Total: \$3,000.0)
The Prince William Sound Community College Wellness Center is a major community service facility provided by the College for students, faculty, staff and the community of Valdez. The repair of the Wellness Center roof this year allows for the interior of the building to now be fixed after several years of accumulated water damage. In addition there is an accumulation of deferred capital renewal throughout the facility.
- UAA Community Campus Safety, Code and ADA Projects
(GF: \$415.0, Total: \$415.0)
This request will address minor safety, code and ADA projects at two community campus sites - Kenai Peninsula College and Prince William Sound Community College. The projects include such items as: air quality improvements in a welding lab, replacement of ADA door closures, ADA compliant signage, emergency call box/telephones, and stair rail replacement.
- UAA Campus HVAC Upgrades
(GF: \$2,800.0, Total: \$2,800.0)
As campus buildings age, many of the building systems require replacement and upgrading. The HVAC systems in many of the campus buildings fall into this category; however, replacement parts for many of the HVAC units are no longer available. This project will replace deficient variable air volume boxes and upgrade building automation system controls. Also included is the upgrading of air conditioning for Cuddy Center, Allied Health and numerous student computer labs.
- UAF Lola Tilly Food Refrigeration Emergency Power
(GF: \$275.0, Total: \$275.0)
During a power outage, freezers around campus must be connected to emergency power backup generators to preserve the contents whether they are related to dining, research, or archival. Lola Tilly Commons, the main source of dining for students, does not have provisions for connection to emergency power and the potential for loss is high. The project will provide means for backup power to be connected to the cooling units to ensure the safety of the stored goods.
- UAS Hendrickson Remodel and Renovation
(GF: \$1,580.0, Total: \$1,580.0)
This project will renew and remodel the Hendrickson Building and the Hendrickson Annex to provide more effective use of the space, provide building code mandated restrooms and fire sprinklers, replace or renew building heating and ventilation systems and interior finishes.
- Statewide Replace Obsolete Academic Equipment
(GF: \$2,000.0, Total: \$2,000.0)
The university must continue to invest in upgraded scientific and instructional technology in order to maintain and strengthen research competitiveness and the effectiveness of the instructional programs. This \$2M fund would be managed by the Vice President for Academic Affairs, with advice from the Systemwide Academic Council, and would match investments in academic equipment made by the MAUs.

- Statewide Butrovich Data Center Renewal
(GF: \$1,500.0, Total: \$1,500.0)
The number of servers and storage devices installed in the Butrovich Data Center has increased to a point where space, electrical power and cooling have approached their maximum capacity. Newer systems provide higher performance in a smaller physical package but require more electrical power and cooling per square foot. A redesign of the existing area is necessary to provide additional space and adequately power and cool the increased number of servers and storage systems.
- UAA Mat-Su College HVAC and Boiler Replacement
(GF: \$1,500.0, Total: \$1,500.0)
The existing air handling unit has been used to supply air to the original Jalmar M. Kerttula Building, an addition and several remodeled spaces. Replacement of the air handling unit and boiler would create a more comfortable work and study environment and meet current code requirements and reduce maintenance costs. The existing systems are all beyond normal life cycle expectations.
- UAF Northwest Campus Nagozruk Building Roof and Floor renewal
(GF: \$175.0, Total: \$175.0)
As fuel costs continue to escalate, it becomes imperative that Northwest Campus (NWC) aggressively find ways to conserve on its utility consumption. Therefore, by enhancing insulation with roof and floor renewal in the Nagozruk Building, NWC anticipates reducing monthly fuel costs.
- UAF ADA Compliance On-Going Campus Wide
(GF: \$1,500.0, Total: \$1,500.0)
This project, with multiple phases, includes accessibility improvements such as elevators, restrooms, drinking fountains and stairwell handrails. Buildings being addressed include Signers' Hall, AHRB, Cooperative Extension, Elvey, Gruening, Eielson, O'Neill and Constitution Hall. This project was funded \$1.2M in FY07.
- UAF Upper Dormitory Emergency Egress Code Corrections
(GF: \$1,025.0, Total: \$1,025.0)
Current egress from the Upper Dormitories requires attention. Doors, stained glass windows, and deteriorating sidewalks and stairs will be upgraded. Currently no ADA access exists for the upper dorms at the main entrance. When disabled students and community members arrive they must be dropped off beside the building, which places them several hundred feet from the main entrance.
- UAA KPC Kenai River Campus Academic Center/Classroom Renewal
(GF: \$750.0, Total: \$750.0)
The KPC Kenai River Campus Brockel Building houses the library, four classrooms, learning center, art studio and art gallery. A reconfiguration of this area would increase floor space efficiency, better serve students and their learning needs, and enable cross-utilization of the library and learning center resources and floor space that is at a premium on the campus. The design would reflect a modern library design and focus on student/user accessibility and function.

- UAA Bookstore/Student Union/Wells Megaplex Renewal
(GF: \$7,000.0, NGF: \$3,000.0, Total: \$10,000.0)
This is a major renewal project for the existing campus megaplex structure, including the Bookstore, Wells Fargo Sports Complex and the Student Union. The project will fund urgently needed improvements to a complex that was built in 1977. Renewal items include mechanical/electrical systems, fire alarm systems, accessibility, reorienting program functions for maximum space efficiency and utilization, and aesthetic improvements. Student enrollment, PE course offerings, and public use of the facility have grown dramatically since the building was originally sized and designed. The project is in keeping with the UAA master plan as a priority for the 2003-2013 timeframe.

- UAA Electrical Feeder/Panel Upgrade
(GF: \$250.0, Total: \$250.0)
The majority of the buildings on the UAA campus are still operating under the electrical service and associated panels and components that were installed when the buildings were constructed. Buildings on the West Campus are approaching 35 years of age and the buildings on East Campus are not far behind. The existing electrical service and associated panels and components do not provide the performance offered by today's technology. Replacement components for the existing panels are hard to find or no longer manufactured. The existing electrical service for many buildings has reached its maximum capacity and must be upgraded to meet the additional demands created by increasing enrollment and expanding curriculum.

- UAF Roads, Curbs and Sidewalks
(GF: \$3,000.0, Total: \$3,000.0)
This project will complete Tanana Loop upgrades to the roadway that circles the campus. The project will also create appropriate pedestrian walkways close to all campus roadways for non-motorized users. Existing road deficiencies and sidewalks will be upgraded to maintain ADA compliance.

- UAS Auke Lake Way Campus Entry Improvements & Road Realignment
(GF: \$1,940.0, Total: \$1,940.0)
This project will route all arriving vehicular traffic directly to the main parking areas and construct new pedestrian paths from the parking lots to the main academic and support buildings. The work involves creating new pedestrian paths, installing new site lighting, signage, landscaping, planting and drainage modifications. This project was a prominent recommendation of the 2002 UAS campus master plan.

- UAF Patty Center Gymnasium Bleachers Renewal
(GF: \$475.0, Total: \$475.0)
The existing Patty Gym bleachers are original to the building and have far surpassed their useable life. Cost to renovate the existing bleachers exceeds the cost to replace seating. Retractable bleachers will be installed to allow practice facilities for UAF's NCAA basketball and volleyball teams and adequate seating for games.

- UAF Eielson/Signers' Hall Code Corrections
(GF: \$5,000.0, Total: \$5,000.0)
As two of the oldest facilities on the UAF campus, Eielson and Signers' Hall do not have ventilation systems and experience problems maintaining comfortable temperatures in occupied

zones. Other code corrections work will provide adequate exit pathways for building occupants and students.

- UAS Whitehead Computer Room Upgrade
(GF: \$200.0, Total: \$200.0)
This project will reconfigure and renovate HVAC and power services to the UAS main computer center in the Whitehead Building. The Whitehead Building secure machine room houses the primary computing and network equipment for the Southeast region. This equipment is critical for services both local to UAS and on a statewide level. These include all academic and administrative servers, television broadcasting for UATV and Gavel-to-Gavel, the Juneau campus telephone system, and building security control systems. The electrical and cooling systems in the room are unable to meet current demands, especially during the summer months. Unstable power and excessive temperatures have already caused equipment failure. Continued growth is expected as both campus and statewide systems require additional equipment.
- UAA Kodiak College Campus Renewal
(GF: \$2,500.0, Total: \$2,500.0)
The projects included in this request are remodeling, improving space efficiency, fixed equipment replacement and renewal of electrical and mechanical systems. Renewal of the campus library is also included.
- UAA Building Automation System Renewal
(GF: \$750.0, Total: \$750.0)
The technology that has evolved over the last 20 plus years since this equipment was first introduced has made great improvements in flexibility and sustainability. In going from maintenance-intensive pneumatic controls to modern direct digital controls, the campus saves both energy and labor. This request will provide upgrades for approximately 10 buildings.
- UAA Aviation Renewal - Phase 2
(GF: \$6,500.0, Total: \$6,500.0)
Aviation is a center of excellence program for UAA. UAA offers programs in aviation maintenance, piloting, aviation administration, and air traffic control and does significant aviation industry research to meet the needs of the State of Alaska. This renewal funding request will address building occupancy issues in the former ERA Aviation facility, acquired by UAA in 2005, and the Aviation Technology Center at Merrill Field. Funding will address growing enrollment and student demand for programs in Aviation. Funding of \$1.5M was received in FY07.
- UAF Arctic Health Research Building Deferred Renewal
(GF: \$500.0, Total: \$500.0)
Built over 40 years ago, Arctic Health Research Building (AHRB) has an ever increasing list of deferred renewal projects that are now affecting critical research and teaching in the building. Once the new biological science and virology buildings are completed, major renewal and renovation work must occur to keep the building available for occupancy and full use. Addressing AHRB renewal will be an ongoing effort with many more requests. This funding will address immediate needs. This project was funded \$5.25M in FY07.

- UAF Power Plant Code Corrections
(GF: \$3,200.0, Total: \$3,200.0)
The Power Plant Code Corrections project will complete the code corrections needed to bring the plant control room into code compliance. The work includes relocation of the plant control room for egress, installation of partial automatic sprinkler system in the building, and other code upgrades to the HVAC, electrical, and fire alarm components. This is a prerequisite of the overall power plant renewal project to be addressed over the next several years.
- UAF Campus Wide Fire Alarms
(GF: \$750.0, Total: \$750.0)
Funds are for an enhanced alarm system to provide adequate coverage and notification for building occupants and report information to emergency services. This project was funded \$500,000 in FY07.
- UAF Exterior Pathway and Roadway Lighting Replacement
(GF: \$1,500.0, Total: \$1,500.0)
Improved lighting provides safer pedestrian/vehicle interface zones and reduces the unlit or shadowed areas adjacent to pathways and outdoor seating areas. This project was funded \$150,000 in FY07.
- UAF Gruening Code Corrections
(GF: \$500.0, Total: \$500.0)
The Gruening Building contains more students and staff than any other building on campus and is in need of significant code required upgrades to the existing fire exits, HVAC, and electrical panels and for ADA compliance. This request covers code correction project design. This project was funded \$150,000 in FY07.
- UAF Campus Wide Storm Water Upgrades
(GF: \$650.0, Total: \$650.0)
Campus growth and an ever-changing regulatory environment require the modification and upgrade of campus storm water handling infrastructure. Based on the June 1, 2005 EPA MS-4 permit regarding storm water discharge, UAF will be required to install storm water collection infrastructure for buildings and streets by 2009.
- UAF Irving 1 Code Corrections
(GF: \$500.0, Total: \$500.0)
Currently, the Irving Building complex has over 100 code citations. These code citations must be addressed as part of any renovation in the building.
- UAF Original Duckering Ventilation Completion
(GF: \$950.0, Total: \$950.0)
During the 1999 renovation of the Duckering Building, funding was not available to complete required ventilation upgrades to the north wing of the facility. This funding provides for appropriate ventilation upgrades to the labs and offices in the north wing.
- UAF Physical Plant Code Corrections Phase 3 of 3
(GF: \$4,250.0, Total: \$4,250.0)
This project reconfigures the Physical Plant Building to correct existing code and operational deficiencies and to accommodate the maintenance and operations shops within Facilities

Services. This is the final phase of work to complete the code and operational deficiencies within the administrative areas of this 1964 facility that is the core of operations for the maintenance work at UAF.

- UAA Kachemak Bay Campus Renewal
(GF: \$750.0, Total: \$750.0)
This project is the next phase of renewal for the original campus building and involves the replacement of the original building roof, building siding replacement, program-related remodel of several classroom/lab spaces, and renewal/expansion of building restrooms.
- UAF Cooperative Extension Service Building Renewal
(GF: \$125.0, Total: \$125.0)
The 40-year old Cooperative Extension building has not been renovated since its original construction. The project will revitalize the facility with new finishes, plumbing, electrical, and HVAC. The project will also address current code citations including sprinklers and ADA egress.
- UAA Mat-Su College Science Lab Renewal
(GF: \$1,000.0, Total: \$1,000.0)
Science laboratories at Mat-Su are original to the buildings which were built over 20 years ago. The continued demand for science education in this fast-growing area of the state requires that these labs be updated in order to provide current science course/lab experiences for Mat-Su students. This project was partially funded \$1.3M in FY07.

Additional FY08 Capital Funding Requirements

New Construction

(GF: \$52,895.0, NGF: 2,895.0; Total: \$55,790.0)

- UAA Nursing and Allied Health Building
(GF: \$40,000.0, Total: \$40,000.0)
UAA is uniquely situated, surrounded by two of the largest hospital complexes in Alaska. As the U-Med District grows, neighboring institutions continue to grow, requiring trained employees. This facility is envisioned as an 80,000 gsf building to be located on the land parcel UAA received in the 2005 trade with Providence Hospital. The facility would accommodate nursing, allied health, WWAMI, and possibly behavioral health programs.
- UAA Mat-Su College Joint Library/Auditorium
(GF: \$10,000.0, Total: \$10,000.0)
The Matanuska-Susitna Borough has proposed a dual use facility consisting of a library and a 1000-1500 seat auditorium. The initial conception of this building is a two wing building with each wing being a library. One wing would be the college library with the other serving as a central borough library. This design enables each library to function and be staffed separately since each has different needs. There would be a common area between the two library wings. This common area would also serve as a lobby area for the auditorium. The borough has been focused on raising funds for such a facility, currently targeting \$30M as a number and sees a potential for use of college land due to its central location for the borough, or at least locating this facility on Trunk Road. This type of facility is in concert with the chancellor's public square idea. Cooperation on this level would enable Mat-Su College to provide more summer programs for the community; enhance its theatre, art and music curricula through the current cooperative

agreement with the Valley Performing Arts Association; bring more people to campus for a variety of events held in the auditorium; and provide space for additional intellectual and cultural events.

- UAS Student Housing Dorm Addition
(GF: \$2,895.0, NGF: \$2,895.0, Total: \$5,790.0)
This project will construct a 40-bed addition to the Banfield Hall dormitory on the Juneau campus. The addition will include: Student Suites, a Manager Suite, an ADA Compliant Suite, and Building Support Space with assignable square feet of 12,322 and gross square feet of 15,562.

Medical Program Lab Upgrade/Renovation (GF: \$475.0, Total: \$475.0)

- UAA WWAMI - Lab Upgrade/ Renovation and Additional Space Needs
(GF: \$475.0, Total: \$475.0)
This is one-time capital funding necessary to accommodate the planned WWAMI program expansion. Funding will build out, renovate, furnish and equip approximately 3,000 gsf of additional space, including study space, office space for new faculty and expansion/upgrade of laboratory space. Partial funding of \$475,000 was received in FY07.

Small Business Development Center (GF: \$550.0, Total: \$550.0)

- UAA Small Business Development Center
(GF: \$550.0, Total: \$550.0)
The Alaska Small Business Development Center (ASBDC) is a statewide business assistance program. The services it offers to small businesses are not duplicated or provided by any other agency or organization. The primary emphasis of the program is in-depth, quality business counseling. Through professional counseling, small businesses are assisted in solving problems concerning operations, manufacturing, engineering technology exchange, accounting, business strategy development and other productivity and management improvement. The individual business counseling is supplemented with quality business training designed to improve the skills and knowledge of existing and prospective small business owners/managers. This is the base operating funding for SBDC operations. Due to historical circumstances, this funding is accommodated annually through the capital budget.

Student Life Facilities (GF: \$29,000.0, NGF: \$19,000.0, Total: \$48,000.0)

- UAA Student Recreation Center
(GF: \$15,000.0, NGF: \$5,000.0, Total: \$20,000.0)
The Student Recreation Center is a new facility designed to address the sports and recreation needs of UAA's growing student population. The existing Wells Fargo Sports Complex was built in 1977 and is drastically undersized to serve the campus needs for sports and recreation programs and activities and has limited potential for expansion. After a thorough space, program, and site review, UAA has created a concept for student recreation space and selected physical education course facility requirements in a new Student Recreation Center project for the Anchorage campus. The project is envisioned as a 50,000 gsf facility featuring

cardiovascular training areas, strength training areas, free weights, a climbing wall, multipurpose studios for classes (aerobics, spinning, yoga, pilates, etc.), classrooms, student gathering spaces, locker rooms, program and building support spaces.

- UAF Campus Life Master Plan Wood Center Expansion and Renewal
(GF: \$3,500.0, Total: \$3,500.0)
The outcome of the Campus Life Master Plan identified the facility expansions needed to support dining, housing, UAF Bookstore, Student Affairs and Campus Life goals and efficient operations. Expansion of the Wood Center is the top priority of the project to ensure adequate dining choices and facilities, relocate the bookstore, and consolidate student service programs. FY08 funding will provide concept planning, programming, and design for a proposed dining facility.
- UAA Student Housing - Phase 2
(GF: \$9,000.0, NGF: \$14,000.0, Total: \$23,000.0)
Funding for this project will support the construction of a new student residence hall north of Sharon Gagnon Lane. The new buildings will provide an additional 400 beds to be built in the same style and design of the three residence hall buildings completed and occupied by UAA in 1998. UAA is currently engaged in a code review and necessary refinements to the original design that was done in accordance with the 1994 Uniform Building Code. UAA had previously anticipated this being fully NGF; however, construction costs and competitive room rates preclude full NGF revenue for the project.
- UAF Campus Life Master Plan Wood Center Renewal
(GF: \$1,500.0, Total: \$1,500.0)
As part of the recently completed Campus Life Master Plan and in support of UAF Strategic Plan 2010, the Wood Center must be renewed to provide more efficient and effective services to the students.

Equipment R&R

Academic Equipment

(GF: \$2,845.0, Total: \$2,845.0)

To meet the growing demands to train Alaskans for today's jobs, instructional equipment and equipment to support portable teaching technologies for several vocational and technical programs is needed systemwide. Training for high demand jobs is a high priority for the UA system. Several new programs have been instituted in transportation, engineering, health, and education; and departments across the system provide the general education and discipline specific support classes that enable students to complete their certificates and degrees at all levels. Projects such as laboratory equipment to support high demand job programs, instructional equipment for vocational and technical programs and technologies to support distance delivery applications will be addressed.

Administrative Equipment

(GF: \$3,004.0, Total: \$3,004.0)

Funding for this request is necessary to replace systems and infrastructures used in the transmission and retrieval of information. Advances in technology have made the way in which the university administers its electronic information obsolete and inefficient. This request would fund projects that support research and promote data security. Projects such as an integrated library system, statewide digital archives, data cable upgrades, equipment emergency failover and a data center contingency plan would be addressed.

Planning and Design for New Facilities

(GF: \$2,000.0, Total: \$2,000.0)

- UAF Engineering and Technology Building Planning
(GF: \$500.0, Total: \$500.0)
Since the combination of the School of Engineering and the School of Mineral Engineering, space in the Duckering Building has reached capacity. A critical need exists for expanded laboratory space as both programs continue to grow. Completion of a new engineering facility will foster continued growth in engineering academics, research, and job training for Alaska's gas and oil industry.
- UAF University Public Safety Building Planning
(GF: \$500.0, Total: \$500.0)
Constructed in 1964, the Whitaker Building is the current home for the University Fire Department, University Police Department, and University Dispatch center. The fire department needs to expand to meet the increasing demand put on its emergency services. Funding is required to plan the building of a suitable public safety building at a new location on the UAF campus. The new building will enhance the current academic programs in Fire Science and Police Academy.
- UAA Sports Arena Planning
(GF: \$1,000.0, Total: \$1,000.0)
The UAA Sports Arena is a new facility designed to address the sports and recreation needs of UAA's growing student population and the needs of the surrounding Anchorage community consistent with the Anchorage 2020 plan. The project is envisioned as a 7500 seat ice and flexible athletic and public event venue with outdoor game fields and associated parking. The arena facility will house intercollegiate athletic programs, including team meeting rooms, practice and training areas, coaching and administrative offices, and building support spaces. This request is to fund further planning of the Sports Arena project.

Land, Property and Facilities Acquisition

(GF: \$5,500.0, Total: \$5,500.0)

- UAA Homer Building Acquisition and Renovation
(GF: \$2,500.0, Total: \$2,500.0)
The Kachemak Bay Campus of the Kenai Peninsula College is currently split between the main campus facility (East Campus) and school district lease space approximately 1.5 miles away (West Campus). Co-location of the Kachemak Bay programs has long been a program desire of the campus. The logical place for expansion is next door to the existing campus building.
- Statewide Land Acquisition FY08-FY09
(GF: \$3,000.0, Total: \$3,000.0)
This is an estimation of the land acquisition requests expected for FY08-FY09 allowing for the purchase of critical properties necessary for strategic expansion of UA's main campuses. The main focus will be properties adjacent to UA or needed for program delivery.

Broadband Internet Connectivity

(GF: \$20,000.0, NGF: \$10,000.0, Total: \$30,000)

- Broadband Internet Connectivity
(GF: \$20,000.0, NGF: \$10,000.0, Total: \$30,000)
The state lacks the broadband internet connectivity increasingly required to compete nationally for federally funded research. UA also lacks sufficient network capacity out to all its campuses and research centers across the state. The university is requesting \$30M in order to enter into a long term agreement for network capacity connecting it to the nation's research community and to build out network capacity within the state. Additional information can be found on page 96.

Receipt Authority

(NGF: \$64,150.0, Total: \$64,150.0)

- Systemwide Project Receipt Authority
(NGF: \$15,000.0, Total: \$15,000.0)
This request is an estimation of potential federal receipt authority needed for FY08-FY13 projects at the main and community campuses. Prior small project federal receipt authority was used for Title III improvements to rural campuses including Bristol Bay and Chukchi (2005), the Allied Health Center at TVCC (2004) and the Center for Nanosensor Technology at UAF (2003). In the last two years, there have been twelve different projects with three different federal agencies that utilized UA's previous project receipt authority approved in 2005.
- Systemwide Project, Planning, and Design Receipt Authority
(NGF: \$40,000.0, Total: \$40,000.0)
The value of this request is an estimation of potential receipt authority needed for FY08-FY13 for major projects and planning at main and community campuses.
- UAF Patty Sports Complex Weight Training Facility Planning
(NGF: \$150.0, Total: \$150.0)
As UAF's Division 1 and 2 sports programs grow, the facilities used by the players must be upgraded and expanded to continue to attract top notch athletes. A new weight training facility will be used by all NCAA sanctioned sports at UAF and further UAF's competitive edge and athlete recruitment. This funding authority is for building a facility initially estimated at \$9M.
- UAA East Campus Parking Structure and Loop Road
(NGF: \$9,000.0, Total: \$9,000.0)
This project is to construct a parking garage in association with the UAA Integrated Science Facility. It is being designed for 450-600 car capacity. A portion of the Integrated Science project funding will be dedicated to this project. This request is for the remaining receipt authority needed to account for additional project funding through user fees, parking fees, and debt service.

Performance Measures

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Performance Measures

Performance-based budgeting (PBB) at the University of Alaska has its roots in Senate Bill 281, a performance measures reporting bill entitled Missions and Measures, passed in 2000. Senate Bill 281 required the University of Alaska to annually measure and report on its success. “The purpose of this act is to state the missions ... to set out performance measures for divisions or programs within divisions (2000).” This mirrored a national rise in performance reporting; today only two states have no performance reporting programs.¹ Across the country, more than 80 percent of state budget offices and 70 percent of all city/county departments are using performance measures.²

UA’s primary goal in implementing PBB is the creation of a robust tool to help communicate, drive, and measure progress toward strategic priorities.³ The university still monitors the 17 performance measures originally required by Missions and Measures, but has reduced the number of performance measures used to influence budget distributions to seven.⁴ Today, the State of Alaska requires that all agencies participate in a performance-based budgeting process.

Achieving established performance targets is a driving factor in UA’s operating and capital requests. The general principles for the PBB distribution are: rewarding significant, planned performance where challenging targets and goals were set in support of the Board of Regents strategic plan and MAU mission; and achieving this through clearly articulated, executed and evaluated strategies. These principles are viewed in the context of observed fiscal and environmental conditions.

The seven performance measures in use at the University of Alaska are: graduates of degree programs responding to state high demand occupations, student retention, student credit hour enrollment, grant-funded research expenditures, university generated revenue, strategic enrollment management planning and academic program outcomes assessment. Additional performance measures are being developed including measures specific to community campuses.

In-depth assessments of recent performance for each MAU, accounting for expectations, strategies and mission in addition to proposed targets and goals through FY12 are available online at: <http://www.alaska.edu/swbudget/pm/details.xml>.

An assessment of UA’s performance measures yields many positive results and also provides focus on areas needing improvement and additional investment. The university has set performance targets necessary to address the state’s needs and is on track to meet them, provided continued support is received from the State of Alaska. Targets and goals for the seven performance measures used in UA’s budget process are included in the following table. Performance highlights on these and other measures follow.

¹ Burke, J. C., & Minassians, H. P., 2002.

² J. Melkers, K.G. Willoughby, B. James, & J. Fountain, 2002.

³ See <http://www.alaska.edu/bor/2009Plan/030918plan.doc> for the complete UA Board of Regents Strategic Plan 2009.

⁴ See the Current Measures section at <http://www.alaska.edu/swbudget/pm/details.xml> for more details on each of the seven performance measures currently in use.

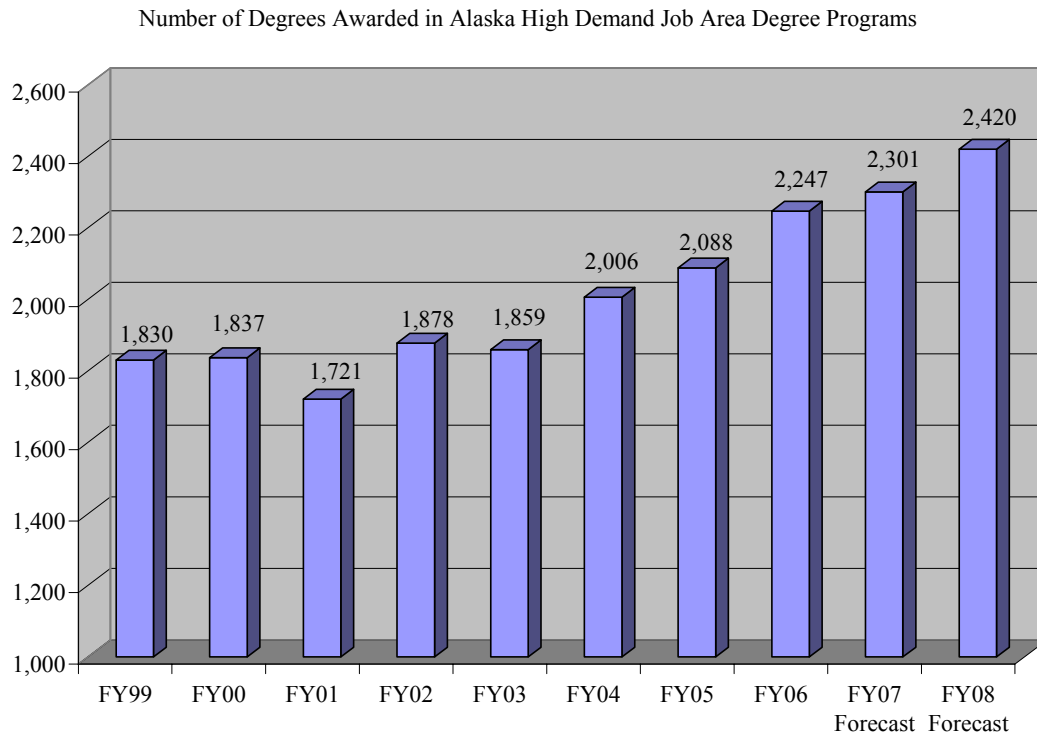
UA System - Performance Metrics to Demonstrate Progress Toward Board of Regents Strategic Goals

Metric and Strategic Goal	Baseline Performance				Targets			Goals			Average Annual Percent Change FY07 - FY12
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	
Number of degrees awarded in Alaska high job demand degree programs - Responsive to State Needs / Educational Quality	1,839	1,989	2,065	2,209	2,301	2,421	2,543	2,659	2,777	2,886	5%
Retention rates for first-time full-time cohorts in Certificate, Associate, Baccalaureate programs - Student Success	63%	65%	65%	64%	66%	68%	69%	70%	71%	71%	2%
Annual number of student credit hours attempted (Thousands) - Student Success / Educational Quality	533	559	556	558	564	574	586	599	612	625	2%
Grant Funded Research Expenditures (Millions) - Research Excellence	111	116	123	129	139	149	160	170	180	190	7%
University Generated Revenue (Millions) - Diverse Sources of Revenue	289	313	333	364	384	405	431	460	483	512	6%
Academic Program Outcomes (% of programs participating) - Student Success	n/a			90%	95%	99%	100%	100%	100%	100%	2%
Strategic Enrollment Management Planning (% of academic units with a plan) - Student Success	n/a			20%	60%	80%	100%	100%	100%	100%	43%

Updated December 2006. Targets and goals are dynamic and reflect the most current operating environment information available. FY07 retention rate is the observed performance, not a target.

Performance Highlights

- **The number of students graduating with degrees qualifying them to work in Alaska high demand job areas – such as nursing, allied health, behavioral health, engineering, welding, computer networking, construction management and technology, information technology, business, accounting, logistics, and many others - is up 12 percent in the last two years.**



UA met its target of a seven percent increase from FY05 to FY06 on this performance measure and anticipates meeting its FY07 target of a six percent increase. Enrollments in these programs are increasing at a rate consistent with meeting the FY08 degree production goal, with a cumulative 11 percent enrollment increase from FY04 – FY06.

Though overall enrollment has remained fairly flat over the last three years, more students are choosing to enroll in high demand job area (HDJA) degree and certificate programs. This is an area UA has chosen to focus resources on in order to best align degree programs with state priorities. HDJA programs tend to be more expensive than other programs (e.g. lab needs for health programs, limited class sizes); however, students tend to complete these programs at a higher rate than other degree programs and are now working in Alaska.

Educating students in HDJA programs is a responsibility that all UA campuses contribute to. For example, nearly 35 percent of students graduating from the Anchorage campus with a HDJA degree or certificate used credits earned at other campuses to help meet their degree requirements. Overall, about 55 percent of students who receive a HDJA degree or certificate attend more than one campus during their career.

UAA increased the number of HDJA degrees awarded over the last year by more than six percent. UAF increased the number of HDJA degrees awarded by more than eight percent (51 degrees) over last year.

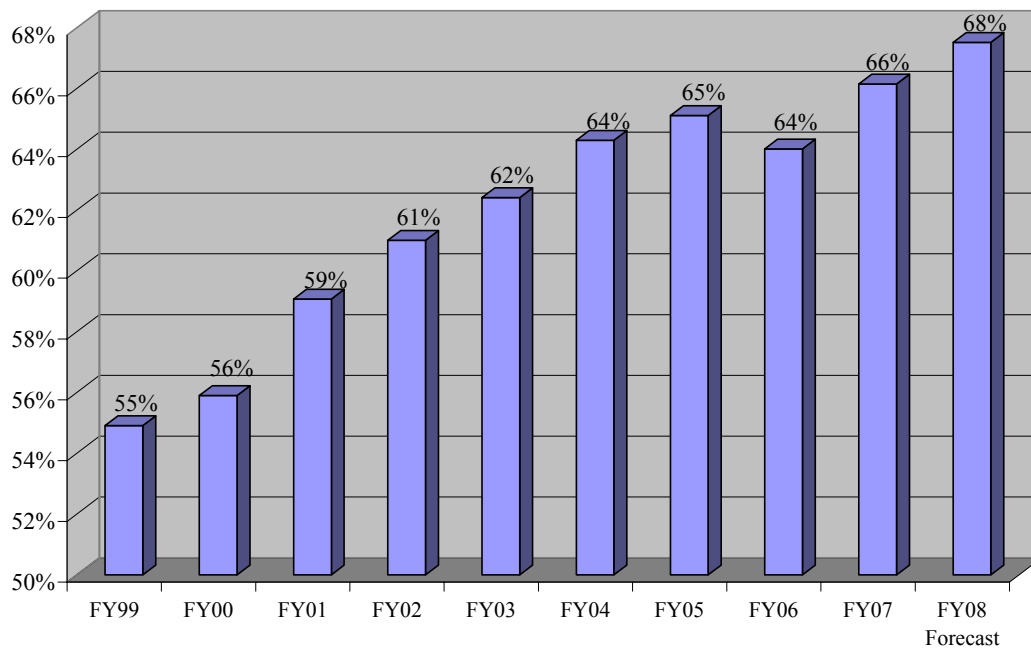
Since FY04, UAF has increased the number of high demand job area degrees awarded by almost 14 percent. UAS had reasonable growth of about six percent (10 degrees) on this performance measure from FY05 to FY06. Enrollment in high demand job area degree programs is up 14 percent at UAS since FY04.

The high demand job area with the most dramatic increase in number of degrees awarded since FY99 is health. A total of 676 health-related degrees were awarded in FY06, up 245 from FY99, a 57 percent increase. A significant increase in the number of degrees awarded was experienced across the board at each MAU, and is due to enrollment growth in existing health programs since FY99 as well as the availability of new program offerings. Specific degree programs with significant growth in enrollment and degree production over the last seven years include associate of applied science (AAS) programs in Medical Assisting, Nursing and Radiologic Technology as well as baccalaureate degree programs in Psychology and Nursing. There is a lag between enrollment growth and an increase in the number of degrees awarded, as students require from two to four years to complete a degree program.

To further increase performance on this measure, UA’s FY08 program request Preparing Alaskans for Jobs will provide the necessary resources. Specific FY08 program requests will add new graduates over the next four to six years. UA expects to add a significant number of new engineering graduates, as well as increase average annual degree production levels by more than 100 degrees from Alaska specific programs, including: Geography (20); Fisheries (20); Nursing (40), WWAMI expansion (10); Master’s in Public Health (10); and Construction Management (10). In addition, ongoing investment in student success efforts are expected to result in an additional 60 high demand job degrees awarded per year.

➤ **Undergraduate retention is up 11 percentage points (a 20% increase) from FY99 to FY07.**

Retention Rate for First-Time, Full-Time Certificate, Associate, and Bachelor's Degree Seeking Students

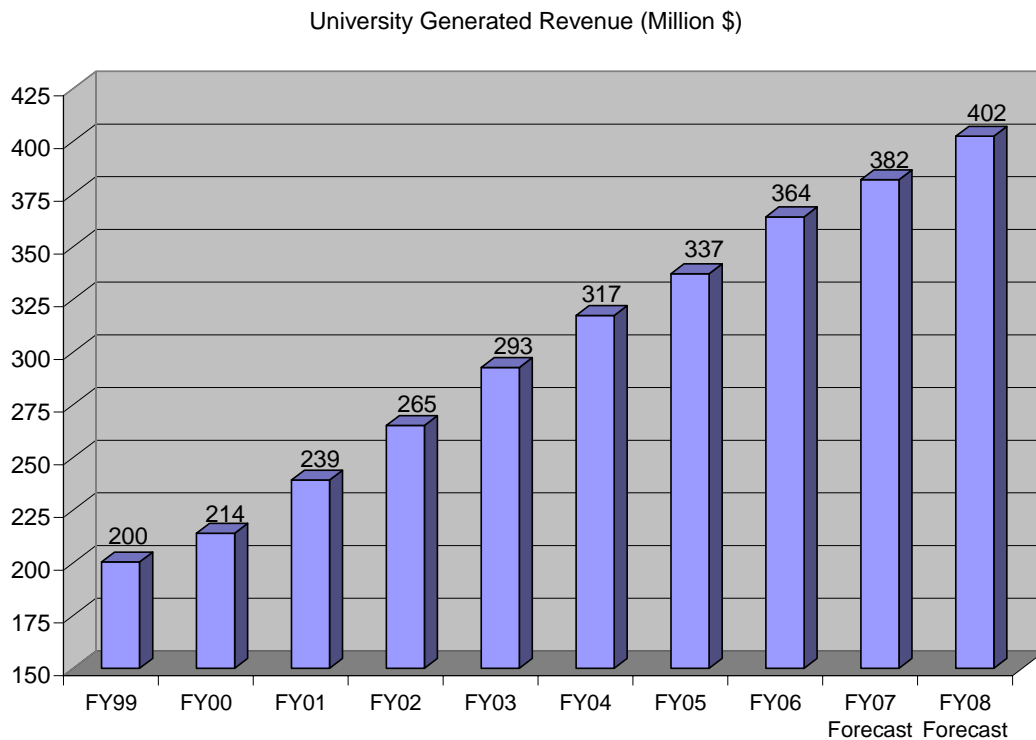


Preliminary results for FY07 indicate that UA achieved an overall undergraduate retention rate of 66 percent, a significant improvement over the last eight years.

To achieve the 2012 retention goal of 71 percent, UA must achieve an increase of about one percentage point each year from FY08 through FY12. Reaching the FY12 goal will set UA above average for peer institutions and will be worthy of major celebration, but may prove to be a challenge. Preliminary FY07 results show UAA at about 68 percent undergraduate retention, UAF at 66 percent and UAS at 58 percent.

UA’s FY08 program request for College Readiness Programs will have a significant, positive impact on student retention and success, resulting in a sustained two percentage point increase in retention by FY10.

- **University of Alaska increases the amount of external revenue received from sources such as federal funding, tuition and fees and university receipts by an average of nine percent annually. UA received \$164M more in university generated revenue in FY06 than in FY99.**



The university, through its urban and rural campuses, is the State of Alaska’s primary source of higher education and workforce development and, as such, remains a high priority for the State. Through its entrepreneurial practices, the university has the ability to leverage the State’s investment to generate additional revenue through student tuition, research grants, and other service opportunities. The continued success and expansion of this leveraging ability is crucial to university growth. However, student, donor, business partner and federal agency confidence in UA is inextricably linked to the State’s continued investment in UA. The University of Alaska is constantly looking for new opportunities to ensure maximum leveraging of state appropriations. University of Alaska performance on this measure is continuously improved via administrative efficiency and internal reallocation.

The proposed staff benefit rate increase may have a significant negative impact on this performance measure and is of particular concern relative to UA’s competitive research capacity. The increase in the

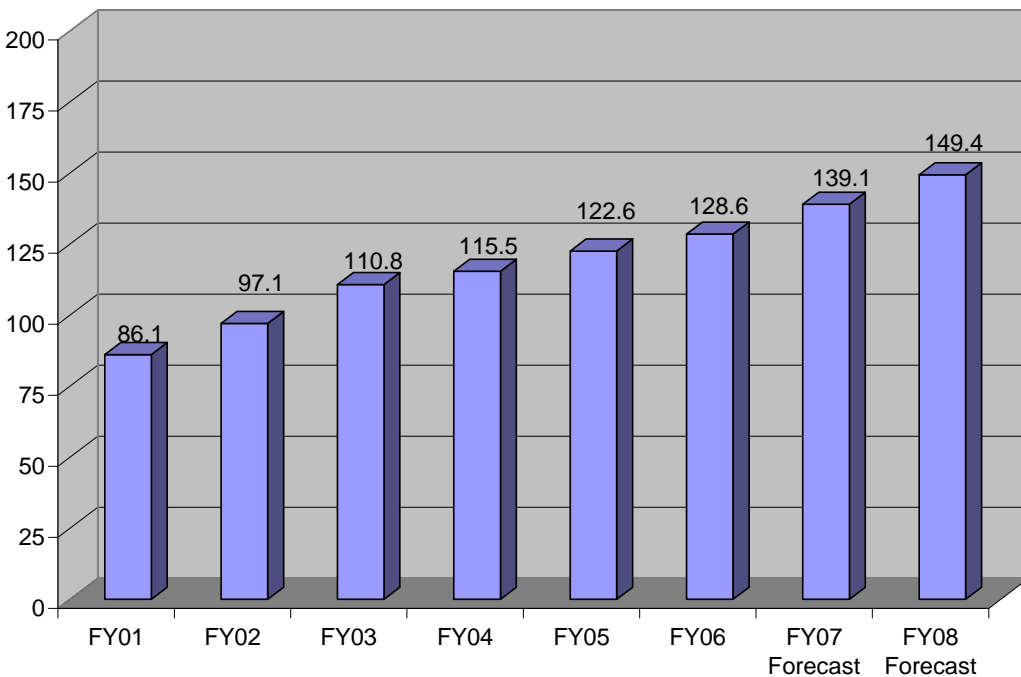
faculty retirement rate from 26 to 54 percent will likely create a significant challenge for UA’s faculty to remain competitive with peers. There are options for the state to mitigate this rate impact and still provide the needed resources to the retirement system, see the approach detailed on page 98.

UA expects to meet its FY07 and FY08 targets, equivalent to a 6.5 and 5.5 percent annual increase, respectively. Continued growth in university generated revenue is expected due to increases in tuition revenue and development efforts; however, growth will be moderated by a smaller FY08 tuition rate increase than in recent years, as well as slowing federal research investment. All university generated revenue increases expected from current programs and services are applied to UA’s budgeted adjusted base increases.

UAA increased university generated revenue by about nine percent (\$9.6M) in FY06. UAF increased university generated revenue by more than five percent (\$10.4M) over the last year; falling short of its FY06 target increase of ten percent (\$19M). UAS exceeded its FY06 and FY07 target growth of \$200,000, with more than 11 percent (\$2.0M) growth this year. University generated revenue at Statewide surpassed the FY06 target by \$5.0M as a result of higher than expected interest income.

- **UA’s grant-funded research expenditures increased more than 50 percent, equivalent to \$42M in additional annual expenditures, over the last five years.**

Grant Funded Research Expenditures (Million \$)



UA’s research enterprise accounts for over 2,300 jobs in the state; of those 1,200 are at UA and 1,100 are in the private sector. Research spending on transportation, contractual and equipment results in more than \$100M in sales for private businesses in Alaska. UA is seeking significant resources to expand its research enterprise. For every \$1M invested, 149 jobs are created with \$4.8M in payroll.

At UA, research activity leverages nearly seven dollars externally for every dollar from the state. The University of Alaska conducts research in several areas important to the state and carries out the bulk of

Research and Development (R&D) activity in Alaska. Nationally, industry conducts 68 percent of the R&D, while universities average only 14 percent of the R&D.⁵ In Alaska however, 44 percent of the state's R&D effort is carried out by UA. This may be explained by the lack of a mature manufacturing industry base in Alaska and the tendency for industry R&D efforts to be largely conducted out-of-state (oil and tourism, for example). Comparatively, Alaska conducts very little R&D, investing only one percent of its gross state product in research compared with 2.5 percent for other states.⁶ Alaska must invest in R&D for future economic development and UA is the engine to fuel state R&D.

Research at the University of Alaska is a critical component in the delivery of programs and services that are of value now and to the future of Alaska. UA success in achieving its goals and objectives is dependent upon consistent external and internal research funding. In addressing these funding realities, UA aggressively seeks new opportunities with federal, state and private agencies to ensure continuing capacity of research programs in areas aligning UA, MAU, and campus research priorities.

To achieve its research goal for 2012, UA must increase grant-funded research expenditures by an average annual rate of seven percent from FY08 to FY12. This increase is a stretch but is possible in conjunction with increased state investment in UA's research enterprise and by maximizing external funding opportunities. From FY01 to FY05, grant-funded research expenditures increased by an average of 12 percent annually across the system. However, growth slowed to just under five percent in FY06, about two-thirds the target growth level. Given the FY06 performance, a six percent increase is necessary in FY07 to meet the target.

UAF grant-funded research expenditures increased more than three percent (\$3.4M) from FY05, landing at about \$114M in FY06. An increase of more than eight percent from current FY06 levels, will be necessary to meet the FY07 target. Since UAF drives more than 90 percent of this performance measure for the system, steady, strong performance on this measure will be needed to meet future system targets and goals. From FY05 to FY06, UAA grant-funded research expenditures increased by more than 20 percent to a total of \$13.7M, surpassing its high FY06 target. UAS generated \$800,000 in grant-funded research expenditures in FY06, in line with its FY06 target of \$700,000.

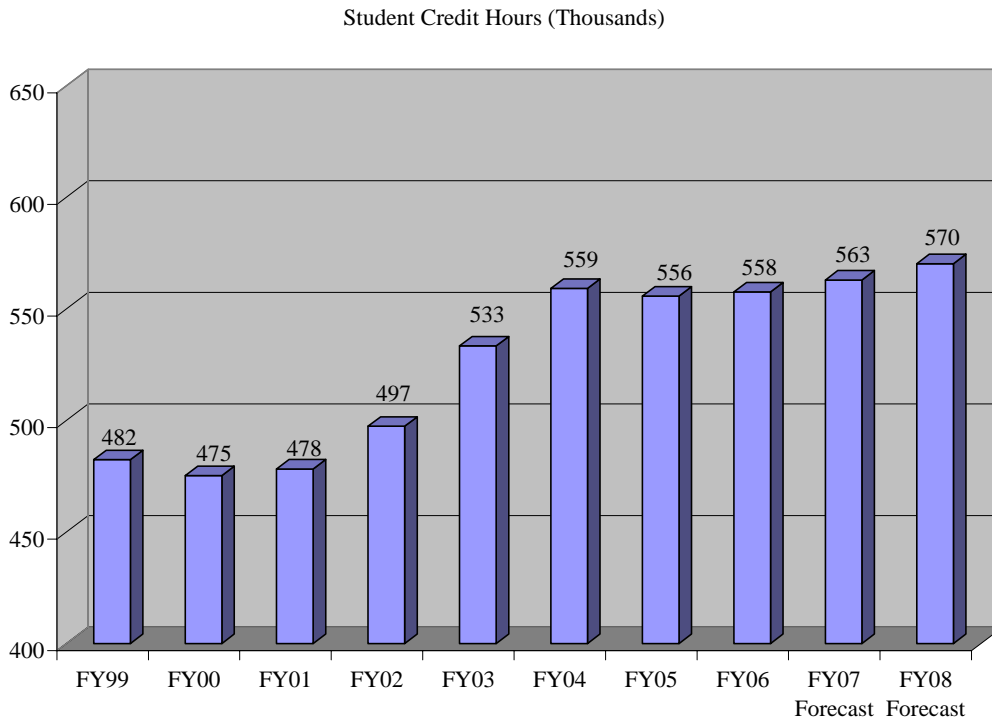
UA's FY08 program request for University Research Investment will provide the necessary resources to positively impact this measure. It is anticipated that full state funding of the phased approach to doubling UA research funding will result in an additional \$120M of research revenue. The FY08 research operating budget increments in Biomedical and Health Research; Engineering; Transportation and Energy; Climate Impact and Alaska's Natural Resources follow state needs, UA's research strengths and external funding opportunities. Specifically, Climate Impact and Alaska's Natural Resources will be leveraged to take advantage of global, national, and state attention that will be focused on change in the Arctic and circumpolar northern regions during the upcoming International Polar Year (IPY, 2007-2008).

Additionally, funding of UA's FY08 capital request for the BioSciences (BioS) facility will create a center for excellence in biological discovery and learning, greatly improving UA's capacity to generate research funding. Exact estimates of research activity increases resulting from capital improvements are uncertain; however, the two smaller lab facilities, West Ridge Research Building (WRRB) and Biological Research and Diagnostic Building (BiRD) have supported a 95 percent increase in grant-funded biological and biomedical research activity at the UAF Institute of Arctic Biology.

⁵ NSF, National Patterns of Research and Development Resources: 2004, available at <http://www.nsf.gov/statistics/natlpatterns/>

⁶ Source data available at: <http://www.nsf.gov/statistics/nsf06327/pdf/tables.pdf>

➤ **Student credit hour enrollment at the University of Alaska increased 15 percent from FY99 – FY06.**



The UA system’s FY06 target increase for student credit hour production was three percent (15,700 SCH) over the FY05 level; however, final student credit hour production for FY06 landed at 0.3 percent (1,800 SCH) above the FY05 level. It is important to note that while overall enrollment is relatively flat, enrollment in high demand job area programs is improving significantly - increasing by nearly 20 percent - while overall UA system student headcount stayed level. High demand degree programs are more desirable to students due to better chances of employment after graduation and are more desirable to the state as employers have access to qualified workers.

The FY07 system-level student credit hour target assumes a one percent enrollment increase from FY06, which equates to an additional 5,000 SCH. FY07 projections indicate that UA’s student credit hour production will likely remain even with the FY04 and FY06 level. An annual average increase of almost two percent is required to meet the targets and goals for FY08 through FY12. Steady enrollment gains will have to be made each year to meet this system wide performance level.

UAA FY06 student credit hour production is up 1.8 percent from FY05. UAA had relatively little growth in SCH (400 SCH) from FY04 to FY05. UAF student credit hour production peaked in FY04 and has decreased each year since. UAF’s FY06 SCH production was down more than one percent from FY05 and down 4.6 percent from FY04 levels. In FY06, UAS SCH production fell by more than three percent from the FY05 level, landing about five percent (2,700 SCH) below the FY06 target.

To further increase performance on this measure, UA’s FY08 program requests for Preparing Alaskans for Jobs and College Readiness Programs will provide necessary resources. It is anticipated that funding of Preparing Alaskans for Jobs will provide a one percent SCH increase, while the College Readiness Programs request is anticipated to provide a one-half percent SCH increase in FY08, increasing to one percent annual SCH growth in future fiscal years as more students are retained.

FY08 new facility requests for student life facilities, including dorms and recreation, will facilitate student credit hour growth as well.

Strategic Enrollment Management Planning

Implementation of the strategic enrollment management planning measure was important to provide a planning mechanism to drive and communicate enrollment levels, retention rate, and the number of degrees awarded, in support of UA's strategic plan. Reporting for this process measure was required for the first time for FY06. The Phase I definition of this measure, used for FY06, measures the number of academic colleges, schools, and community campuses having a formal strategic enrollment management planning process, relative to the total number of academic colleges, schools and community campuses. The Phase II measure definition will be used starting in FY07 and requires unit plan evaluations based on MAU-defined criteria. The reported measure from FY07 forward will be the proportion of academic schools, colleges and extended sites with effective enrollment management plans.

All three MAUs are participating in strategic enrollment management planning and are moving toward a formal planning process for every academic school, college and community campus.

Academic Program Outcomes Assessment

This performance measure addresses academic quality. Implementation of the academic program outcomes assessment measure is very important to the other student success measures as it helps set the standard of quality upon which the enrollment, retention, and graduates are measured. Reporting for this process measure was required for the first time for FY06. The Phase I definition measures the proportion of programs conducting outcomes assessment according to MAU guidelines. At a minimum, programs are required to identify desirable student learning outcomes and have a plan to regularly measure their attainment. Along with a preliminary data report, MAUs provided an assessment of FY06 performance, accounting for expectations, strategies and mission in addition to setting targets and goals through FY12.

In Phase II, the definition will transition to a measure focused on a combination of continued assessment and successful response to outcomes assessment findings. A timetable for starting Phase II has not been set.

Other Performance Measures

The discussion up to this point has covered the seven performance measures tied to the UA budget process and distribution. Following are several additional pieces of information that the university still collects from SB 281 the original Missions and Measures legislation.

- **UA has doubled the number of graduates who are able to become registered nurses over the last five years.**

One area of demonstrated success in the health program area is the doubling of registered nurse (RN) eligible graduates. The *University/Industry Alaskan Nursing Education Task Force's* 2002 report found that only half the annual 220 openings for registered nurses (RNs) in Alaska could be filled with new, in-state graduate RNs. In response to this finding, the University of Alaska committed to doubling its production of RN-eligible degree recipients by 2006, equivalent to about 90 more

associate and bachelor degrees per year. The University of Alaska has met its goal. In 2006, the UAA School of Nursing awarded an additional 109 RN associate and bachelor degrees beyond 2001 award levels and expects to maintain at least the current level of graduates into the future.

- **Engineering program enrollment has grown by 250 students (38%) over the last three years and UA now awards 80 (70%) more engineering degrees annually than in FY03.**

The area of engineering continues to grow at the University of Alaska, with the total number of graduates in the field of engineering up from 112 in FY03 to 191 in FY06. Enrollment in these programs continues to grow and indicates that UA will achieve its FY08 target of a 13 percent increase in the number of engineering graduates as well as its FY12 goal of graduating more than 300 engineers per year.

- **The UA Scholars program attracted nearly 400 new eligible Scholars this fall. Prior to the program, 100 students in the top ten percent of their high school class attended UA.**

The UA Scholars program is beneficial because it attracts a greater number of Alaska high school graduates who are in the top ten percent of their graduating class and also has contributed to increasing the overall number of recent Alaska high school graduates who enroll at UA. The percent of students attending the University of Alaska who graduated in the top ten percent of their class has increased from ten percent in 1998 to 35 percent in 2006. In total, more than 3,300 Scholars have attended UA since the program's inception and about 700 have received a degree. Of UA Scholars who received a degree, 98 percent are living in Alaska and more than 80 percent are working in-state.

- **Today, the majority of Alaska's college-bound high school graduates attend UA.**

The percentage of Alaska's college-bound high school graduates who attend UA has increased from 37 percent in 1996 to more than 50 percent in fall 2006. These improvements are due to a continued focus on providing quality student services and academic programs as well as the impact of the UA Scholars program.

- **UA's vocational education students earn 17 percent more after completing training.**

UA meets the educational needs of students by developing vocational education and training. University administrators track pre-training wages as compared to post-training wage for vocational education graduates. For students who took vocational classes in FY05, their wages increased from an average of \$6,592 per quarter to \$7,571 per quarter.⁷

- **The graduation rate of full-time students in degree programs has increased by six percentage points, but continues to require significant attention.**

The six-year graduation rate for full-time students has increased from 21.2 percent for the class beginning in 1995 to 27.4 percent for the class beginning in 2000. UA anticipates continuing improvement on this measure and expects to reach a six-year graduation rate of 30 percent with the class beginning in 2003 who would graduate in FY10.

⁷ State of Alaska Department of Labor and Workforce Development Research and Analysis report: *Training Program Performance 2005*. See <http://almis.labor.state.ak.us/?PAGEID=67&SUBID=216> for prior year reports.

- **UA students taking professional exams perform well relative to the national average on scoring or pass rates.**

Another student area tracked by UA administrators is the comparative scores of students in degree programs who take professional examinations. UA students took professional examinations in 44 different areas, ten of which have national comparisons. Of the ten national exams, UA students scored at or above the national average on seven, including the RN licensure exam, the National Dental Hygiene Exam, and the Fundamentals of Engineering exam. Of the 34 tests without a national comparison, UA students completed with a 100 percent pass rate on 22 of them, including the Praxis I and II exams.

- **In FY06, UA received 335 new research grant awards in areas of importance to the State of Alaska: health/biomedical, climate change, resource development, fisheries and ocean science, logistics, geosciences, and atmospheric sciences. This is an increase of 38 percent since FY01.**

The total dollar amount of new grant-funded research projects in areas important to Alaska has increased by 147 percent during this same period, equivalent to an additional \$50M per year in new awards.

Previous Funding Impact on Performance

Internal Reallocation: Every year since FY00, UA's Board of Regents has directed reallocation and new funding to HDJA programs. Since FY00, legislative state appropriation increases have covered fixed costs and provided for some program growth for three of the seven years. For the other five years, the Board forced internal reallocation to key HDJA program areas. Over this period, UA added a net total of 88 degree programs (101 new programs and 13 program deletions). Additionally, university generated revenue from tuition increases and industry partnerships have contributed to these programs.

FY07 Program Increments: UA received a FY07 program increment of \$4.2M for Preparing Alaskans for Jobs and Continuing Programs in State Needs as well as a \$1M program increment toward the phased Competitive University Research Investment increment.

- Preparing Alaskans for Jobs supported: expansion of engineering programs, the Alaska Native Science and Engineering (ANSEP) program, programs in construction and mining technology; and vocational education. With addition funding increases in FY08 and FY09 for full program implementation, expected impacts include an estimated 80 percent increase in the number of new UA-trained engineers by FY12. The new ANSEP building, which was significantly funded through university generated sources opened in October 2006 and will allow this small but very effective program to double in size further supporting the growth in engineering.
- The FY07 increment for Continuing Programs in State Needs provided ongoing support to: teacher and early childhood education programs, distance delivery of high demand job area programs, nursing, behavioral health and allied health programs.
- The programs funded in FY07 will have a positive impact on enrollment. Program startup and recruitment activities are major FY07 efforts with a noticeable enrollment increase of one-half percent SCH expected in FY08.
- The Integrated Science building will have a significant impact on enrollment once completed, accommodating the estimated four percent growth for the Anchorage campus.

- Part of the state appropriated funding used to support UA high demand programs is the Technical Vocational Education Program (TVEP) funding. This funding is specific to workforce development programs and when provided to UA offset general fund program requests starting in FY01. The funding source has been particularly valuable for program start-up funding, bridge funding and meeting equipment and lab needs in programs necessary to meet industry needs in a timely manner. Since 2001, key areas supported include nursing and allied health, construction and mining training, process technology, information and network technology, and early childhood education. UA has consistently used TVEP funding to start and maintain programs to meet immediate needs. Then, after evaluation, if employer and student demand is projected to maintain for several years, general funds are requested and the program is transitioned to the long-term funding source.
- UA received a program increment of \$1M in FY07 toward the phased Competitive University Research Investment increment. This provided direct support for: UA's joint psychology PhD and biomedical research development, and Geographic Information Network of Alaska (GINA). This investment will contribute to a four percent increase in the number and dollar amount of new awards in areas of significance to Alaska in FY08.
- Additional private FY07 funding has been dedicated to hiring 13 post-doctoral researchers in key Alaska-related research areas. This investment is anticipated to have far-reaching, long-term, positive impact on UA's research competitiveness.

References

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FY08 Operating Budget

Preparing Alaskans for New Jobs Category

(GF: \$6,708.8 NGF: \$2,580.0 Total: \$9,288.8)

- Health
(GF: \$2,056.5, NGF: \$420.0, Total: \$2,476.5)
 - Community Health Aide Program Instruction at College of Rural Alaska
(GF: \$143.4, NGF: \$20.0, Total: \$163.4)

Health aides are the vital back bone providers of rural Alaskan health care. This request will provide funding for one Community Health Aide Program faculty position, administrative support, and operating costs. This program exists on temporary funding through the Denali Commission. The faculty position will coordinate with medical providers, tribal health corporations and other educators to provide Continuing Medical Education (CME) and entry level training to health aide workers, track enrollments, and advise students. Currently, efforts are underway to convert existing face-to-face courses to distance delivery and to develop new courses to help employees keep up with the volume of current medical support training necessary.

- Dental Program at Tanana Valley Campus
(GF: \$233.1, NGF: \$50.0, Total: \$283.1)

This funding will establish a degree program at Tanana Valley Campus to meet the long-standing need for Dental Hygienists in Fairbanks and throughout the Interior. Funding will support one full-time faculty position in Dental Hygiene, 3 to 5 adjunct instructors to assist in teaching the curriculum, administrative support, materials and supplies for teaching, development and maintenance of an outpatient clinic, and costs of external accreditation. The program will be housed in the newly remodeled dental instruction clinic on the fourth floor of the TVC building.

UAA's program is at capacity and is unable to meet the needs of Interior dentists. While this would be an independent program, TVC anticipates working closely with both UAA and with the Allied Health outreach programs at the College of Rural and Community Development.

- Nursing Core Expansion at Anchorage Campus
(GF: \$750.0, NGF: \$150.0, Total: \$900.0)

This funding will provide the ability to hire senior critical care and pediatrics faculty for the core nursing program and the Psychiatric Nurse Practitioner faculty necessary to offer the Psych-Mental Health Nurse Practitioner master's program. Funding will also provide support for the on-line Registered Nurse-Bachelor of Science completion track which began fall 2006. The UAA School of Nursing (SON) has successfully doubled the number of graduates and now produces over 200 graduates a year through 12 different locations around the state. The expansion and core operation is funded largely on industry contributions and temporary grants. In addition to the faculty listed above, this funding provides stable core funding for the school to continue operating at its current level. Grants and industry contributions remain an integral part of operating funds and will support students and provide for meeting short term nursing program delivery at additional locations such as Valdez, a proposed next site.

- WWAMI program expansion at Anchorage Campus
(GF: \$280.0, NGF: \$50.0, Total: \$330.0)

WWAMI (Washington, Wyoming, Alaska, Montana, Idaho medical school program) is the primary medical school option for Alaskans. This funding represents the University of Alaska costs to double the number of students accepted into the WWAMI program from 10 to 20 per year. A deficit exists in the number of physicians currently available in the State. This deficit is projected to reach 880 by 2025. Increasing medical school seats is a major recommendation of the Physician Supply Task Force as one solution to help increase the number of practicing doctors in Alaska. Specifically, these funds support two new faculty positions and related support costs associated with the expansion.

Students complete their first year of medical school at UAA, then complete the remaining 3 years through the University of Washington (UW) (some of this training can occur in Alaska). Alaska, through an agreement between Alaska Commission on Postsecondary Education (ACPE) and UW, pays for a portion of the medical school costs for the remaining three years. In addition to this funding, capital start-up cost for UA and increases for UW are required to meet this need. Included on page 94 is a summary of the full costs and benefits of the WWAMI expansion plan.

- Allied Health Programs delivered Statewide at Anchorage Campus
(GF: \$400.0, NGF: \$100.0, Total: \$500.0)

This request will provide base funding for three full-time and three half-time faculty positions that deliver all the distance courses/programs for the Allied Health programs. Two years ago, following health care industry requests, the Allied Health Sciences division of the Community and Technical College launched a mission to provide distance delivery of four allied health programs to meet needs in rural Alaska. The four programs include Dental Assisting, Medical Laboratory Technology, Pharmacy Technology and Radiologic Technology. These programs were started on short term funding. Enrollment, graduation and employment through these program offerings are exceptional.

- Master's of Public Health at Anchorage Campus
(GF: \$250.0, NGF: \$50.0, Total: \$300.0)

This requests funds two additional faculty positions and support for the Master's of Public Health (MPH) program. This funding expands the faculty size to meet national standards and requirements of accreditation including appropriate student ratios and stabilization of program funding. Enrollment has gone from 20 students in Fall 2003 to a preliminary enrollment of 48 students in Fall 2006.

- Behavioral Health Initiative Partnership

The University of Alaska continues to work with the Alaska Mental Health Trust Authority and the State of Alaska to expand behavioral health instruction and improve recruitment and retention of workers in the field.

- Engineering and Construction Management
(GF: \$930.0, NGF: \$205.0 Total: \$1,135.0)

- Bachelor of Science in Engineering Enrollment Growth at Anchorage Campus
(GF: \$200.0, NGF: \$50.0, Total: \$250.0)

The new Bachelor of Science in Engineering program is succeeding with enrollment growth surpassing expectations. Compared to the start of the program expansion (fall 2004), there are an additional 100 students enrolled in engineering degree programs at UAA this fall, a 40 percent increase. This rapid progress necessitates additional faculty be hired to offer the necessary course sections. Funds are requested for two additional full-time faculty positions to satisfy this growing demand.

- UAA/UAS 1+3 Program in Engineering
(GF: \$100.0, NGF: \$20.0, Total: \$120.0)

Currently under development is a “1+3” program between UAA and UAS that would allow students in Juneau to complete their first year of an engineering program at UAS and then transfer to UAA or UAF. The requested funding would provide UAS with one engineering faculty position and create an opportunity for collaboration on some of the many projects that originate in Juneau where the Alaska Department of Transportation has Alaska’s largest engineering staff. Further, the Alaska Board of Registration for Architects, Engineers and Land Surveyors (AELS) appears to be moving closer to setting continuing education requirements for all its AELS licensees, which will create a large market demand for CEUs utilizing the distance education capacity of UAS.

- Construction Technology at Juneau Campus
(GF: \$75.0, NGF: \$30.0, Total: \$105.0)

Consistent with the UAS strategic plan and in support of the Kensington Mine’s need for skilled construction workers, the UAS Juneau campus “Technology Education Center” requests funding for a faculty position to ensure adequate faculty resources to provide the necessary training to support the mine’s construction phase. As the construction phase at Kensington is completed, program emphasis will focus on additional construction projects in Southeast Alaska. The anticipated sources of new revenue are tuition, fees, and industry donations or grants. To date, Kensington Mine’s construction and mining training support has been funded through UA work force development funds.

- Construction Management 2+2 degree program at Anchorage Campus
(GF: \$115.0, NGF: \$30.0, Total: \$145.0)

The proposed Bachelor of Science in Construction Management is designed to produce graduates who will be ready for employment by construction contractors, government agencies, industry consultants, and project owners. Construction managers plan, direct and are responsible for managerial oversight of construction projects, including the coordination of human, material, and financial resources. Currently, students must leave Alaska to acquire a bachelor’s degree in construction management. While initial funding came from industry partners, this request will complete a request for continuation funding and will support one additional faculty position, an administrative assistant and fund adjunct labor pool needs to meet expected demand for the

program. This request augments the FY07 funding allocated for the two-year associate degree in construction management.

- Bridge Programs for Students in High Demand Job Areas at Anchorage Campus
(GF: \$150.0, NGF: \$25.0, Total: \$175.0)

This request provides the funding to hire faculty to teach developmental courses in English as a Second Language (ESL) and preparatory English (PREP) to an expanding student population and to assist with the appropriate and timely placement of ESL and PREP students. The work of this faculty position will increase enrollments, student success, and retention in high demand vocational and workforce development programs. The funding also provides for an increase in adjunct labor pool and writing lab tutors.

- Mining Training and Computer and Electronics Faculty at Kenai Peninsula College
(GF: \$290.0, NGF: \$50.0, Total: \$ 340.0)

This request augments FY07 funding allocations for the MAPTS program and provides for an additional computer and electronics faculty position. The Computer Information Science faculty position is core to the Computer Electronics AAS degree program and supports technical electives and core support courses for the Industrial Process Instrumentation and Process Technology AAS programs, both critical programs for Alaskan oil and gas industries.

There are several new mining operations developing throughout the state. Responsive, timely, coordinated training opportunities are required for preparing the workforce. The MAPTS program has a proven track record of meeting workforce needs. This funding replaces short-term workforce development funds that currently enable the MAPTS program to meet the mining training needs statewide.

- Fisheries and Ocean Sciences Undergraduate and Related Programs
(GF: \$1,000.0, NGF: \$1,000.0 Total: \$2,000.0)

- Undergraduate Fisheries Program Expansion (with matching private funds)
(GF: \$1,000.0 NGF \$1,000.0 Total: 2,000.0)

The primary purpose of this request is to develop a new Bachelor of Arts degree in Fisheries characterized by experiential learning, interdisciplinary classes, broad geographic availability to reach both rural and urban students in Alaska, and partnerships with government regulators, fishing and seafood industry representatives and other related groups. The secondary purpose is to increase UAF's research capacity with new faculty to better meet state, federal and industry research needs through new grant applications funded from the National Oceanic and Atmospheric Administration, the Alaska Department of Fish and Game, and the fishing industry. This request matches a five-year \$5 million private donation necessary to fully implement and sustain this key Alaska program.

- Additional High Demand Programs
(GF: \$605.0, NGF: \$270.0, Total: \$875.0)

- Systemwide Integrated Geography Program (UAGP) at Fairbanks Campus
(GF: \$350.0, NGF: \$150.0, Total: \$500.0)

Geography, a high demand academic program, provides the integration of geographic knowledge of the polar north with the biological and physical sciences in a geospatial context. The enhancement of geographic knowledge in the United States is a critical national need. Funding for UAGP will enable UAF and UA to contribute to this national need as leaders in geography education and research and will link International Polar Year activities to legacy academic programs, thus contributing to the future of basic and applied research, education and outreach applicable throughout the circumpolar north and providing the background necessary to prepare UAF and UA graduates for legacy jobs.

Funding of this request will support program leadership and two faculty positions. Curriculum and course development are ongoing and after receipt of funding will expand. The faculty will be able to immediately enter established research programs through collaborative partnerships with Geographic Information Network of Alaska, Geophysical Institute, and the greater faculty within the School of Natural Resources and Agricultural Sciences.

- Computer Network Technology at Anchorage Campus
(GF: \$120.0, NGF: \$20.0, Total: \$140.0)

This request is for one Computer Network Technology (CNT) faculty position and adjuncts to meet high student demand for Cisco networking classes and to begin offering wireless technology and Microsoft certificate training, both rated as high priorities during the Community and Technical College's career cluster planning process.

- Small Business Excellence Award and Business Faculty Support at Anchorage Campus
(GF: \$135.0, NGF: \$100.0, Total: \$235.0)

The Alaska Performance Excellence Award Program (APEX) is a quality award program modeled on the nationally recognized Malcolm Baldrige Quality Award Program. The purpose of the program is to improve the performance of participating Alaska organizations that use specific measurable criteria to evaluate the performance of their organization and encourage continuous improvement to sustain economic and competitive viability in the global marketplace. Forty of fifty states currently provide a similar program of organizational improvement and recognition.

Additionally, the non-general funds associated with this request provide the ability to recruit and retain academically qualified (AQ) faculty to meet the Association to Advance Collegiate Schools of Business (AACSB) standards and market competitive salaries. This funding represents the difference between current base and the AACSB salary median for three vacant faculty positions to be filled in FY08.

- Meeting Student Demand, Strengthening Existing Programs and Marketing/Outreach
(GF: \$2,117.3*, NGF: \$685.0, Total: \$2,802.3)

- High Demand Program Delivery via Distance Education Systemwide
(GF: \$400.0, NGF: \$0, Total: \$652.3)

This request funds instructional designers, technical assistants and overall coordination efforts for distance delivery of programs meeting high demand jobs in the state. At the direction of the president, UA undertook a comprehensive distance education development program in late 2004. The comprehensive efforts to date have been to focus on providing needed courses for health programs in conjunction with partners, supporting faculty in improving pedagogy, improving internal policies to promote education, and providing a distance education gateway for students to access all UA distance courses. This funding provides core support to institutionalize distance delivery of high demand job curriculum and includes both general funds and workforce development funding. Note: *Includes \$252.3 in Workforce Development Funds (WDF).

- Expand General Education Offerings at Anchorage and Kenai Peninsula College
(GF: \$680.0, NGF: \$400.0, Total: \$1,080.0)

Funding is requested for 12 additional UAA faculty positions to support the general education requirements of the entire MAU as well as supporting the high demand degree programs of Nursing, Engineering, and Allied Health. The majority of faculty will be hired in the UAA College of Arts and Science.

- Expand Eagle River and Military Offering at Anchorage Campus
(GF: \$110.0, NGF: \$20.0, Total: \$130.0)

Funding is requested to increase the adjunct labor pool for CTC divisions heavily impacted by ongoing increases in student demand, especially the Eagle River campus and military programs. This will allow for alternative course methods and schedules such as delivery of courses by deployed adjuncts in Iraq, accommodating non-traditional students such as North Slope employees, and expanding sections of high demand general education required courses.

- Educational Leadership at Juneau Campus
(GF: \$70.0, NGF: \$40.0, Total: \$110.0)

UAS' strategic plan recognizes that managing K-12 systems requires strong leadership, and is dedicated to providing future leaders with educational opportunities through endorsement programs and professional development programs. Principals and superintendents must understand the importance and necessity of standards, outcomes assessment, and community involvement. Until the retirement of UAS' key Education Leadership faculty, UAS offered the Education Leadership endorsement in cooperation with UAA while UAF offered its own. However, UAF is no longer offering this endorsement and UAS wishes to provide access to a professional education leadership endorsement for these principals throughout the state with a mix of technology assisted and on-site summer classes.

- Career Services Center at Mat-Su College
(GF: \$90.0, NGF: Total: \$90.0)

This request funds staff for a Career Service Center at Mat-Su College to provide career-planning activities for over 300 students per semester and provide additional community-wide recruitment as specified in the Mat-Su College Enrollment Management Plan. Additional impacts of this position are expected to include increasing student enrollment, improving retention, increasing internship placements, and increasing the number and placement of graduates in high demand programs.

- AK Native Programs Faculty at Fairbanks Campus
(GF: \$115.0, NGF: \$25.0, Total: \$140.0)

This request will fund two faculty positions: the Native Art Liaison and an Art Technician. Increasing support in the only Northern Native Arts baccalaureate and master's program in North America, increases academic persistence and success for Alaska Native students by providing cultural connections and academic role models for students who are often first generation and low income. Providing the opportunity for and prominently displaying Alaska Native cultural activities encourages and promotes cross-cultural understanding, learning and career opportunities, and is an integral part of a program unique to the state of Alaska and to the UA system. The College of Liberal Arts will use tuition and reallocated funding for a portion of the Native Art Liaison salary.

- Marketing, Community Outreach and Surveys Systemwide
(GF: \$400.0, NGF: \$200.0, Total: \$600.0)

This funding will support marketing and outreach efforts to potential college students. Marketing and outreach efforts will highlight career opportunities and the necessary preparation required to succeed in career fields essential to Alaska's future. Alaska vocational and workforce occupations require training. UA, AVTEC and unions share training responsibilities; in addition UA provides the degree programs for key legacy jobs. Many Alaskans view training and degree programs as out-of-reach; however, these are exactly the potential students needed to meet employer workforce needs. The message is workforce training and college education pays, as evidenced by a consistent 15 percent post-training wage increase and up to a 100 percent post degree wage increase.

Revenue Descriptions

State appropriated funds:

General Fund (1004): Monies received from the general operating fund of the state used to finance the general operations of the university.

GF/Mental Health (1037): GF/Mental Health revenues help fund the Masters of Social Work program at UAA. This program provides specialized curriculum for working with the beneficiary groups of the Mental Health Trust Authority and Alaska Native populations, providing an in-state avenue for social workers in Alaska to earn a Master's Degree. This degree is required for licensing for many federal and state positions, including clinical social workers. Licensed clinical social workers are the primary providers of mental health services in much of Alaska, particularly communities served by and dependent upon community mental health centers.

Science & Technology (1025): Alaska Science & Technology funds were first appropriated directly to the university in FY93 as a replacement for general funds for agricultural, forestry and other land resource programs. They were the primary source of unrestricted revenue for these programs and provided match for federal and other restricted grants. This fund source was changed to Alaska Science and Technology Endowment Funding (1176) in FY03 and eliminated in FY04.

Alaska Science and Technology Endowment Fund (1176): Alaska Science and Technology Endowment Fund was appropriated in FY03 to UA to replace part of the annual funds UA has received from Alaska Science and Technology Foundation (1025).

Statutory Designated Program Receipts (1108): Statutory Designated Program Receipts include UA Alumni License Plate Funds.

ACPE (1150): Alaska Commission on Postsecondary Education (FY01 and FY02 only)

Workforce Development (1151): Technical and Vocational Education

University Receipts:

Interest Income (1010): Interest Income includes income generated from short-term investments from grant receipts and auxiliary enterprises.

Auxiliary Receipts (1015): Auxiliary Receipts include all revenues associated with self-support activities such as the bookstore, food service and housing operations.

Student Tuition/Fees (1038): Student Tuition/Fees includes revenues generated from tuition charged to students for instructional programs as well as fees charged in support of specific activities such as material, lab, activity and health center fees.

Indirect Cost Recovery (1039): Indirect Cost Recovery (ICR) revenues are generated from federal and other restricted grants, and are used to help offset administrative and support costs that can not be efficiently tracked directly to grant programs. ICR rates vary according to rates audited and approved by the university's cognizant federal oversight agency.

University Receipts (1048): University Receipts include restricted revenues received from corporate sources, private donations, and local governments, as well as revenues received from publication sales, non-credit self-support programs, recreational facility use fees, and other miscellaneous sources. As of FY03, University Receipts does not include current State Intra-Agency Receipts (1007), those funds are now reported as State Intra-Agency Receipts (1007), while funds previously reported using code 1007 are now under a new code (1174) as UA Intra-Agency Receipts.

Revenue Descriptions (continued)

Other Funds:

Federal Receipts (1002): Federal Receipts include all revenues received from the federal government. These include restricted federal grants from such agencies as the National Science Foundation, U.S. Small Business Administration, U.S. Dept. of Defense and other federal agencies, as well as federal funding for student financial aid and work-study programs.

State Inter-Agency Receipts (1007): State Inter-Agency Receipts includes contractual obligations between state agencies. University account code 9330 only, which prior to FY03 was included in state code 1048. Prior to FY03 state code 1007 was UA Intra-Agency Receipts. UA account codes that went to state code 1007 prior to FY03 now are captured in state code 1174.

MHTAAR (1092): Mental Health Trust Authority Authorized Receipts

CIP Receipts (1061): CIP receipts are generated by chargeback to capital improvement projects to support CIP personal service administrative costs.

UA Intra-Agency Receipts (1174): Previously this Fund Source was UA Intra-Agency Receipts (1007). UA Intra-Agency Receipts include all internal charges for services provided by central service departments to other university departments. This includes services such as physical plant work orders, printing, and computer repairs, and certain administrative functions such as risk management and labor relations.

Fund Types:

Unrestricted Funds: Unrestricted funds are those current funds which are available for use within the current operating period, i.e., fiscal year, for which there is no apparent use restriction.

Auxiliary Funds: Auxiliary funds are unrestricted current funds of enterprises which furnish services directly or indirectly to students, faculty or staff and which charge fees directly relating to, but not necessarily equal to, the costs of the services. Bookstores and housing systems are examples of enterprises which generally meet the accounting criteria for classification as auxiliary enterprises.

Designated Funds: Designated funds are unrestricted current funds which have internal restrictions but which do not meet the accounting guidelines for restricted funds. Funds for UA Scholars is an example of designated funds.

Restricted Funds: Restricted funds are current funds received by the university but their use is limited to specific projects or purposes by grantors, donors or other external sources.

NCHEMS Descriptions

The University of Alaska classifies all expenditures into standardized categories that are nationally recognized and are generally utilized by most institutions of higher education. These categories, which were first developed by the National Center for Higher Education Management Systems (NCHEMS), are described below:

Instruction and Student Related:

Academic Support: The academic support category includes expenditures related to academic administration and governance to the institution's academic programs; academic program advising; course and curriculum planning, research, development and evaluation, including faculty development; and academic computing, including regional academic mainframes and the student micro-computer labs.

Instruction: The instruction service category includes expenditures for all activities, which are part of the system's instruction programs. Instructional services include all credit and non-credit courses for academic and vocational instruction.

Intercollegiate Athletics: Intercollegiate athletic sports are organized in association with the NCAA or NAIA. The intercollegiate athletics category includes expenditures for the necessary support staff associated with the athletic programs.

Library Services: The library services category includes expenditures for services, which directly support the collection, cataloging, storage and distribution of published materials -- periodical, subscription and book holdings, microfiche and other reference technology aids and inter-library bibliographic access through networks such as GNOSIS and the Washington Library Network.

Scholarships: The scholarships category includes scholarships and fellowships in the form of grants to students, as well as trainee stipends, prizes, and student awards.

Student Services: The student services category includes expenditures related to admissions, the registrar and those activities whose primary purpose is to contribute to the students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instruction program. Student services include social recreational, and cultural activities; counseling services which include personal, career guidance and placement, and vocational testing; student health medical services; financial aid management and student employment; student admissions, registration and student records administration; and student recruitment marketing and counseling.

Infrastructure:

Institutional Support: The institutional support category includes expenditures related to executive services including the office of the President, chancellors' offices, and other institutional support functions including business offices, accounting, budget development, EEO/AA, educational properties management, facilities planning and construction, finance, human resources, information services, institutional research, internal audit, investment properties management, legal counsel, payroll, procurement, records, risk and hazardous materials management, systems maintenance, university relations and support for the assemblies and the Board of Regents.

Debt Service: The debt service category includes expenditures for the repayment of debt obligations.

Physical Plant: The physical plant category includes expenditures related to plant administrative services; building maintenance services including routine and preventative repair and maintenance of buildings and structures; remodeling and renovation projects; custodial services including janitorial and elevator operations; landscaping and grounds maintenance services; utilities services including electricity, heating fuel, garbage and sewage disposal; and specialized safety and code compliance management services including campus security and hazardous materials management. Also included are expenditures for fire protection, property insurance, and similar items.

NCHEMS Descriptions (continued)

Other:

Public Service: The public service category includes expenditures for activities whose primary purpose is to make available to the public the various unique resources and capabilities of the university in response to a specific community need or problem. The major public service units are the Cooperative Extension Service, KUAC Radio and TV, small business development programs and other community service programs produced in cooperation with community organizations and local governments.

Research: The research category includes expenditures for activities directly related to scientific and academic research. The majority of the research is funded by non-general funds.

Auxiliary Services: The auxiliary services category includes expenditures for conveniences and services needed by students to maintain an on-campus, resident student body. These services include resident student housing, food service dining halls, retail stores' operations such as the bookstore and vending machines, and specialized services such as child care.

Unallocated Authority: The unallocated authority category is not part of the standardized NCHEMS categories used by other institutions of higher education. It is a special category created by the University of Alaska to hold additional budget authority separate from other NCHEMS until such a time as it is needed.

**University of Alaska
Major Renewal and Replacement
Background Information**

Maintenance and Repair/Maintenance and Operation (M&R) (M&O): M&R is the routine work required to preserve the functionality of a building. This is an operating budget requirement. The University dedicates about 23M per year of its operating budget to this category. M&O is similar but is an expanded category that includes operations of facilities such as janitorial, security, related staff, utilities, etcetera, and when included the UA number goes up to about \$65M. M&O and M&R are sometimes used interchangeably (they should not be) but the important fact to remember about them is that they are the day to day operating budget items addressing facilities.

Renewal and Replacement (R&R): This category represents the scheduled replacement of worn out building components that extend the useful life of a facility. R&R is nationally recognized as a capital budget item versus M&R recognized as an operating budget item. Projects that would fall under R&R include upgrading for code and safety, replacement of heating and ventilation systems, roof repair or replacement, flooring replacement, and renovating and remodeling buildings to meet program needs.

Deferred Maintenance (DM): Usually this category represents the backlog of facility maintenance needs that result when M&R and R&R have been neglected for several years. In the case of the university, and the state as well, this backlog has come from the under funding of R&R needs in the capital budget. The university has not been negligent on its M&R and the same can be said for the state. The university and the agencies can not spend money on deferred maintenance unless there is an appropriation to it. The legislature has chosen not to appropriate funds to this category therefore the backlog is completely out of the control of the University and the other state agencies.

Here's the Problem: The legislature and the public think the university has *deferred* maintenance because it (UA) has neglected its M&R responsibilities and subsequently used the money it should have used for upkeep on other things. In fact, the opposite is true. President Hamilton has mandated that no matter what level of operating budget funding we receive we must keep up on M&R.

Unfortunately, the requests in the capital budget (the only mechanism to address major R&R and DM) have been largely ignored by the legislature. In fact, with **6M square feet** of facilities under roof and **\$1.5 billion in facilities assets** UA needs about 40 to 50M per year just to keep up. From 1999 through 2006 UA has requested an average of \$50M per year from the legislature in this category, but received only an average of \$7M. Last year's appropriation of \$48M was the first time capital funding was sufficient to cover the annual R&R requirement. Some years have gone unfunded completely which has a particularly disastrous impact on inventory backlog.

In that same period the legislature has averaged appropriations of more than \$20M per year for new facilities. The legislature has preferred the policy of building new facilities over maintaining existing ones. And, in doing so will compound future R&R and DM funding issues.

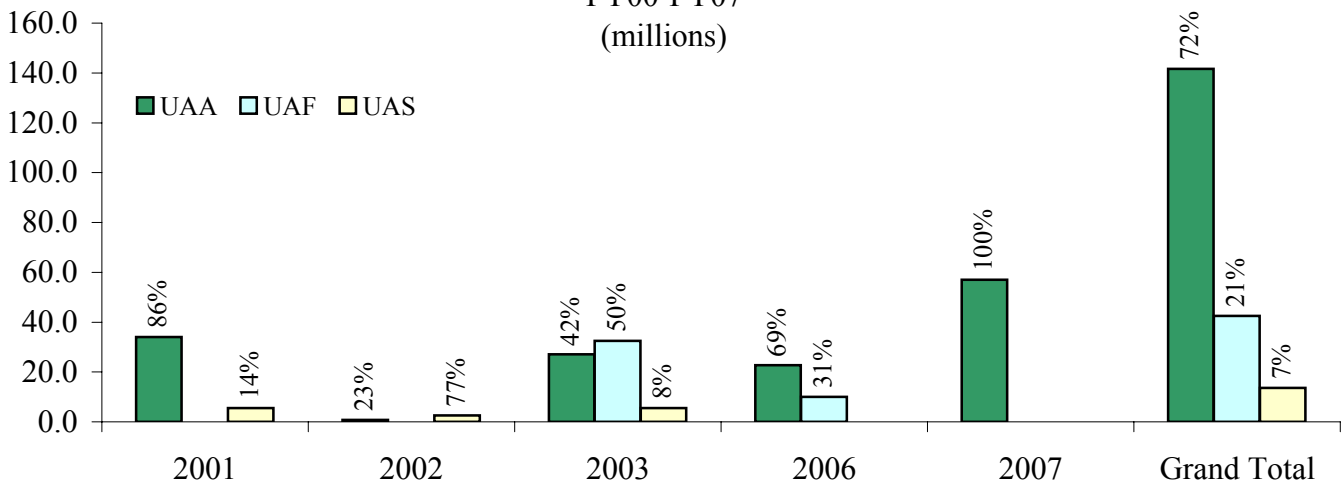
Status: The \$40 to 50M needed annually to maintain 6M square feet worth \$1.5 billion is confirmed by national standards. At this level of need it is no surprise that more than \$500M backlog has materialized given one year of adequate R&R funding preceded by 7 years of only \$7M per year. UA does not anticipate a DM list of zero. That is not suggested under best practice; however, reducing the UA R&R and DM inventory to \$200M is an appropriate target.

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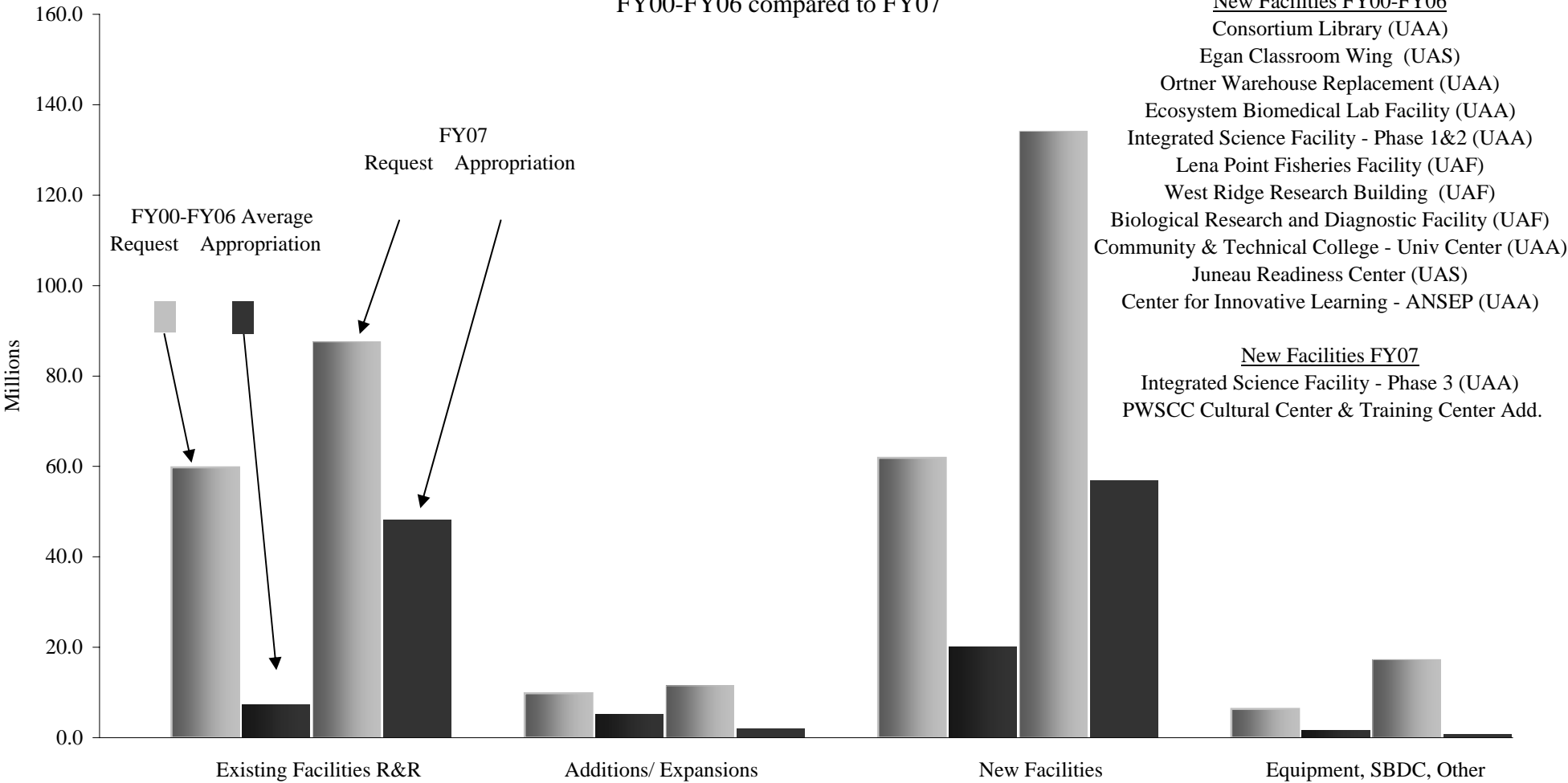
University of Alaska
 State Appropriations for Capital Projects Summarized by Category
 FY00-FY07
 (\$000's)

	Location	R&R, Code/ADA	Additions / Expansions	New Facilities	Equipment	SBDC, Other	Total
Anchorage Campus	Anchorage	29,514.7		138,150.0	640.0	4,100.0	172,404.7
Kenai Peninsula College	Soldotna	4,135.0	3,850.0		27.5		8,012.5
Kenai Peninsula College - Kachemak Bay Branch	Homer	50.0	3,750.0			165.0	3,965.0
Kodiak College	Kodiak	1,180.0		350.0			1,530.0
Matanuska-Susitna College	Palmer	1,881.0		1,004.0	55.3		2,940.3
Prince William Sound Community College	Valdez	1,619.3	1,500.0	2,150.0			5,269.3
	UAA	38,380.0	9,100.0	141,654.0	722.8	4,265.0	194,121.8
Fairbanks Campus	Fairbanks	41,249.4	16,350.0	23,500.0	1,020.1		82,119.5
Fairbanks Campus	Juneau			19,000.0			19,000.0
Bristol Bay Campus	Dillingham		3,329.0				3,329.0
Chukchi Campus	Kotzebue	580.0					580.0
Interior-Aleutians Campus	Fairbanks	240.0					240.0
Kuskokwim Campus	Bethel	254.1					254.1
Northwest Campus	Nome	190.0					190.0
Tanana Valley Campus	Fairbanks	6,000.0	8,000.0				14,000.0
	UAF	48,513.5	27,679.0	42,500.0	1,020.1		119,712.6
Southeast Campus	Juneau	6,247.5		13,595.0	341.1		20,183.6
Ketchikan Campus	Ketchikan	5,960.0					5,960.0
Sitka Campus	Sitka	430.0	540.0				970.0
	UAS	12,637.5	540.0	13,595.0	341.1		27,113.6
Statewide Systemwide					3,941.0		3,941.0
	SW				3,941.0		3,941.0
Grand Total		99,531.0	37,319.0	197,749.0	6,025.0	4,265.0	344,889.0

State Appropriations for New Facilities by MAU
 FY00-FY07
 (millions)



University of Alaska
 Average Capital Request by Category compared to Average Appropriation
 State Funds
 FY00-FY06 compared to FY07

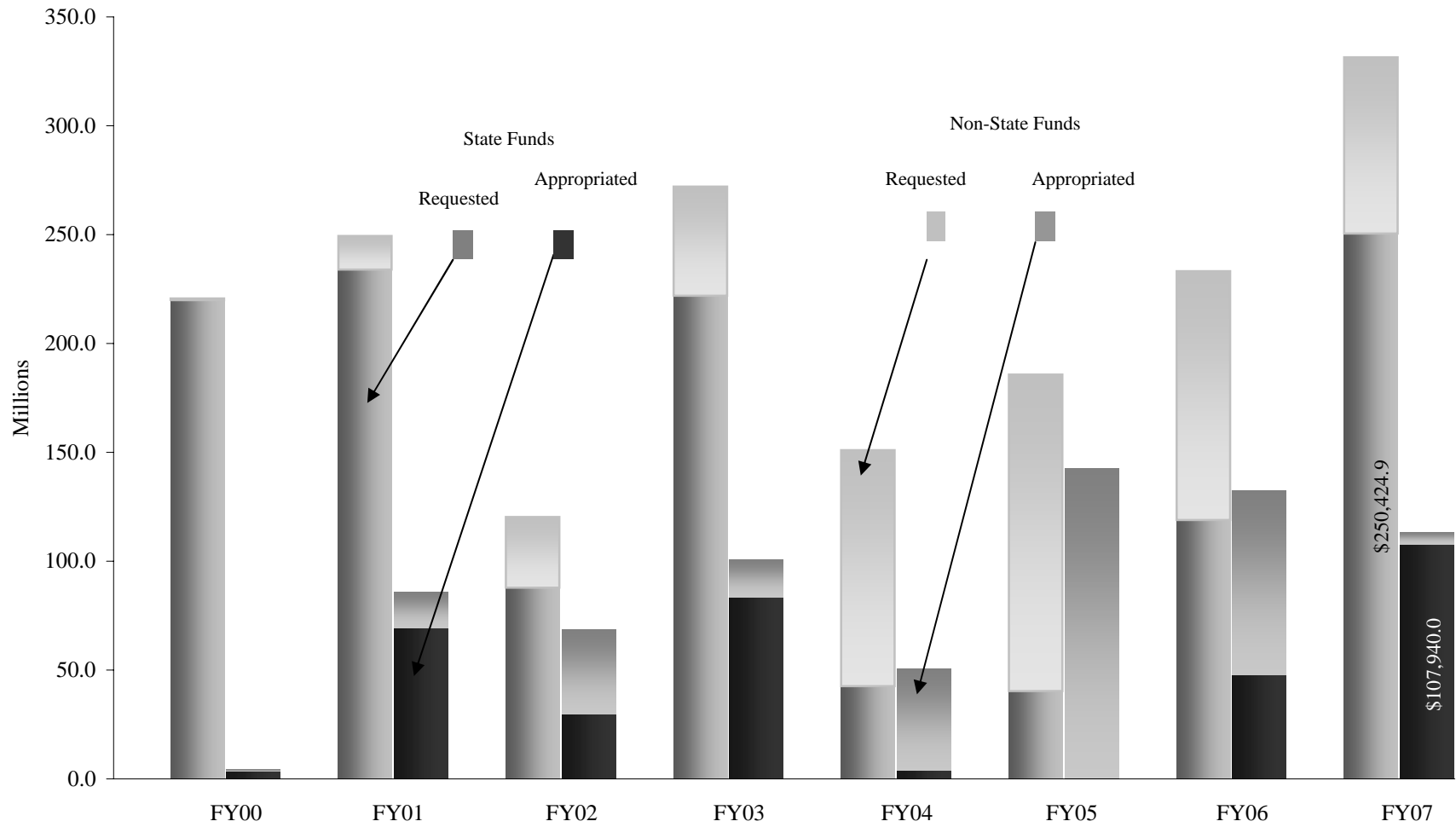


University of Alaska
 Capital Budget Request v. State Appropriation
 FY00 - FY07
 (\$000's)

	Request					Total
	Safety, Code, ADA, R&R	Additions/ Expansions	New Facilities	Equipment	SBDC, Other	
FY00	162,030.6	7,182.2	42,680.0	7,500.0	450.0	219,842.8
FY01	128,515.1	24,522.6	72,414.3	7,500.0	900.0	233,852.0
FY02	26,372.1	18,342.7	37,261.2	5,272.3	450.0	87,698.3
FY03	36,917.1	14,000.0	162,685.0	7,658.1	565.0	221,825.2
FY04	14,007.0	3,400.0	19,515.5	4,141.5	1,405.0	42,469.0
FY05	10,055.0		26,550.0	3,111.3	550.0	40,266.3
FY06	40,603.5	2,600.0	70,686.0	4,403.4	550.0	118,842.9
FY07	87,520.0	9,650.0	135,983.0	16,721.9	550.0	250,424.9
Total	506,020.4	79,697.5	567,775.0	56,308.5	5,420.0	1,215,221.4
8 yr. Avg.	63,252.6	9,962.2	70,971.9	7,038.6	677.5	151,902.7

Appropriation						
FY00		3,000.0			450.0	3,450.0
FY01	15,438.0	11,850.0	39,500.0	400.0	450.0	67,638.0
FY02	14,136.5	9,425.0	3,429.0	2,225.0	450.0	29,665.5
FY03	9,490.0	6,594.0	65,120.0	1,650.0	750.0	83,604.0
FY04	3,641.5				450.0	4,091.5
FY05					450.0	450.0
FY06	8,100.0	4,950.0	32,700.0	1,750.0	550.0	48,050.0
FY07	48,725.0	1,500.0	57,000.0		715.0	107,940.0
Total	99,531.0	37,319.0	197,749.0	6,025.0	4,265.0	344,889.0
8 yr. Avg.	12,441.4	4,664.9	24,718.6	753.1	533.1	43,111.1

University of Alaska
Capital Request and Appropriation Summary
FY00-FY07



* State funds include; AHFC Bonds, General Obligation Bonds and Tobacco Settlement Bonds

University of Alaska
FY07 Operating Budget Distribution Summary
(\$000's)

	State Approp.	Receipt Authority	Total	State Approp.	Receipt Authority	Total
FY06 Operating Budget	248,188.8	466,036.0	714,224.8	248,188.8	466,036.0	714,224.8
FY07 Operating Increments						
Adjusted Base Requirements	FY07 Operating Request Items			FY07 Distribution		
Salary, Retirement and Other Benefits	22,585.9	10,971.1	33,557.0	22,585.9	10,971.1	33,557.0
Utilities, Bandwidth, Facility, and Fixed Costs*	7,405.9	7,734.9	15,140.8	6,410.1	7,734.9	14,145.0
Replenish Performance-Based Budgeting Pool (PBB)				-1,500.0		-1,500.0
Distribute (PBB) Pool (To be distributed)				1,500.0		1,500.0
Subtotal - Adjusted Base Requirements	29,991.8	18,706.0	48,697.8	28,996.0	18,706.0	47,702.0
Priority Program Enhancement and Growth						
Continuing Programs in State Needs	2,951.8	1,500.0	4,451.8	2,221.8	1,400.0	3,621.8
<i>Teacher and Early Childhood Education - Juneau, Anch, and Mat-Su</i>	<i>465.0</i>	<i>50.0</i>	<i>515.0</i>	<i>270.0</i>	<i>50.0</i>	<i>320.0</i>
<i>Distance Education for High Demand Programs</i>	<i>570.0</i>		<i>570.0</i>	<i>270.0</i>		<i>270.0</i>
<i>Nursing, Behavioral, and Allied Health Programs</i>	<i>864.8</i>	<i>710.0</i>	<i>1,574.8</i>	<i>764.8</i>	<i>610.0</i>	<i>1,374.8</i>
<i>Business and Public Policy - Anch and Juneau</i>	<i>757.0</i>	<i>460.0</i>	<i>1,217.0</i>	<i>622.0</i>	<i>460.0</i>	<i>1,082.0</i>
<i>Meeting Student Demand - PWSCC; Anch; ACE</i>	<i>295.0</i>	<i>280.0</i>	<i>575.0</i>	<i>295.0</i>	<i>280.0</i>	<i>575.0</i>
Preparing Alaskans for the New Jobs	3,049.0	2,600.0	5,649.0	2,030.0	2,310.0	4,340.0
<i>Engineering - BSE; ANSEP; Research; Training; and Expansion</i>	<i>975.0</i>	<i>1,130.0</i>	<i>2,105.0</i>	<i>975.0</i>	<i>1,130.0</i>	<i>2,105.0</i>
<i>Construction/Mining Technology**</i>	<i>1,349.0</i>	<i>1,280.0</i>	<i>2,629.0</i>	<i>755.0</i>	<i>1,140.0</i>	<i>1,895.0</i>
<i>Vocational Education - Juneau; Mat-Su; Anch; and SW</i>	<i>375.0</i>	<i>40.0</i>	<i>415.0</i>	<i>300.0</i>	<i>40.0</i>	<i>340.0</i>
<i>Geography Program Expansion - Fbks</i>	<i>350.0</i>	<i>150.0</i>	<i>500.0</i>			<i>0.0</i>
Competitive University Research Investment (Ph 1 of 5)	4,000.0	8,000.0	12,000.0	1,036.0	3,078.1	4,114.1
<i>Health - Joint Psychology PhD and Bio-Med Research</i>	<i>836.0</i>	<i>650.0</i>	<i>1,486.0</i>	<i>736.0</i>	<i>650.0</i>	<i>1,386.0</i>
<i>GINA, and Graduate Program Sustainability - Fbks</i>	<i>400.0</i>	<i>750.0</i>	<i>1,150.0</i>	<i>300.0</i>	<i>400.0</i>	<i>700.0</i>
<i>Infrastructure - Compliance, proposal support, applied tech</i>	<i>764.0</i>		<i>764.0</i>			<i>0.0</i>
<i>Matching Funds - Fisheries; EPSCoR; AK Transportation, ...</i>	<i>2,000.0</i>	<i>6,600.0</i>	<i>8,600.0</i>		<i>2,028.1</i>	<i>2,028.1</i>
Administrative Priorities	600.0	400.0	1,000.0	0.0	0.0	0.0
<i>Document Imaging - Chief Records Officer - SW</i>	<i>200.0</i>		<i>200.0</i>			<i>0.0</i>
<i>Alumni Relations - Juneau</i>	<i>50.0</i>		<i>50.0</i>			<i>0.0</i>
<i>IT Content and Project Management - Anchorage</i>	<i>100.0</i>		<i>100.0</i>			<i>0.0</i>
<i>Development and Advancement Hirings - Fairbanks</i>	<i>250.0</i>	<i>400.0</i>	<i>650.0</i>			<i>0.0</i>
Subtotal - Program Enhancement and Growth	10,600.8	12,500.0	23,100.8	5,287.8	6,788.1	12,075.9
Facilities Renewal and Replacement (ph 1 of 10)	3,000.0	1,000.0	4,000.0			
Total FY07 Increment	43,592.6	32,206.0	75,798.6	34,283.8	25,494.1	59,777.9
Additional TVEP Funding (To be distributed)				59.4		59.4
MHTAAR (To be distributed)					45.0	45.0
Total FY07 Operating Budget Distribution	291,781.4	498,242.0	790,023.4	282,532.0	491,575.1	774,107.1
% Change FY06 Budget to FY07 Request	17.6%	6.9%	10.6%	13.8%	5.5%	8.4%

*GF distribution for Utility Increases (FY06 and FY07 unanticipated) are distributed to reflect appropriate cost estimates (\$2,355.6M versus \$3,200.1M original request), Lower GF investment for Network Bandwidth of \$700K versus \$850K original requested amount

**All programs within the Construction/Mining Technology category will be fully funded through a combination of the GF incremental above (\$755K), and Workforce Development funds (\$639K). Specifically the full funding of the KPC MAPTS/Process Tech Request \$570 (\$370K FY07 GF Increment and \$200K continued WFD)

The FY07 operating budget distribution amounts do not include adjustments for ACAS, Initiative Pool or SB137 and therefore the final FY07 Operating Budget Distribution amounts will change slightly as these decisions are finalized.

University of Alaska
FY07 Operating Budget Distribution Summary
State Appropriation Distribution by MAU
(\$000's)

	State Appropriation				
	SYS	SW	UAA	UAF	UAS
FY06 Operating Budget Base-Revised		19,682.5	89,244.9	117,588.4	21,673.0
FY07 Operating Increments					
Adjusted Base Requirements					
Salary, Retirement and Other Benefits		1,712.2	7,426.5	11,662.0	1,785.2
Utilities, Bandwidth, Facility, and Fixed Costs		901.1	1,805.6	3,321.8	381.6
Replenish Performance-Based Budgeting Pool (PBB)		-119.0	-536.2	-714.3	-130.5
Distribute (PBB) Pool (To be distributed)	1,500.0				
Subtotal - Adjusted Base Requirements	1,500.0	2,494.3	8,695.9	14,269.5	2,036.3
Priority Program Enhancement and Growth					
Continuing Programs in State Needs		350.0	992.0	478.6	401.2
<i>Teacher/Early Childhood Education - Juneau, Anch, and Mat-Su</i>			100.0		170.0
<i>Distance Education for High Demand Programs*</i>		200.0	70.0		
<i>Nursing, Behavioral, and Allied Health Programs</i>		150.0		428.6	186.2
<i>Business and Public Policy - Anch and Juneau</i>			577.0		45.0
<i>Meeting Student Demand - PWSCC; Anch; ACE</i>			245.0	50.0	
Preparing Alaskans for the New Jobs		150.0	1,250.0	580.0	50.0
<i>Engineering - BSE; ANSEP; Research; Training; and Expansion</i>			575.0	400.0	
<i>Construction/Mining Technology**</i>			575.0	180.0	
<i>Vocational Education - Juneau; Mat-Su; Anch; and SW</i>		150.0	100.0		50.0
<i>Geography Program Expansion - Fbks</i>					
Competitive University Research Investment (Ph 1 of 5)		0.0	268.0	768.0	0.0
<i>Health - Joint Psychology PhD and Bio-Med Research</i>			268.0	468.0	
<i>GINA, and Graduate Program Sustainability - Fbks</i>				300.0	
<i>Infrastructure - Compliance, proposal support, applied tech</i>					
<i>Matching Funds - Fisheries; EPSCoR; AK Transportation,</i>					
Administrative Priorities					
<i>Document Imaging - Chief Records Officer - SW</i>					
<i>Alumni Relations - Juneau</i>					
<i>IT Content and Project Management - Anchorage</i>					
<i>Development and Advancement Hirings - Fairbanks</i>					
Subtotal - Program Enhancement and Growth		500.0	2,510.0	1,826.6	451.2
% of Program Enhancements		9%	47%	35%	9%
Total FY07 Increment	1,500.0	2,994.3	11,205.9	16,096.1	2,487.5
Additional TVEP Funding (To be distributed)	59.4				
Total FY07 Operating Budget Distribution	1,559.4	22,676.8	100,450.8	133,684.5	24,160.5

*TBD to MAU's after distribution plan approved

**All programs within the Construction/Mining Technology category will be fully funded through a combination of the GF incremental above (\$755K), and Workforce Development funds (\$639K). Specifically the full funding of the KPC MAPTS/Process Tech Request \$570 (\$370K FY07 GF Increment and \$200K

The FY06 Operating Budget Base-Revised amounts include the adjustments made for the FY06 performance-based budgeting distribution

The FY07 operating budget distribution amounts do not include adjustments for ACAS, Initiative Pool or SB137 and therefore the final FY07 Operating Budget Distribution amounts will change slightly as these decisions are finalized.

FY07 Operating Budget Program Detail

FY07 was one of the three years since 1999 that program growth funding was appropriated in addition to fixed costs. FY01 and FY02 were the other two years. Listed below are the programs requested in FY07 and funding status. As only \$5.3M of the \$10.6M was appropriated, some programs were not funded and are part of the UA's FY08 request.

Priority Program Enhancement and Growth

Continuing Programs Meeting State Needs

- Teacher and Early Childhood Education Programs
 - Rural Education Practicum at Juneau
(GF: \$50.0, NGF: \$0.0, Total: \$50.0) Full-funding

This program advances UA's performance in placing graduates in high demand jobs. This investment has significantly improved retention of teachers in rural schools. This request is for travel and per diem funding for Master of Arts in Teaching (MAT) students to experience teaching in a "remote" rural Alaskan school district. The program was funded through a grant the first two years and through internal temporary reallocation for an additional two years. A total of 98 MAT elementary and secondary candidates have participated. The teacher placement over the course of this initial 4 year practicum has resulted in a 25 percent increase in candidates being employed in village teaching positions. This funding is intended to make the practicum a continuing integral part of the MAT program.
 - Secondary Teacher Education Program at Juneau
(GF: \$60.0, NGF: \$30.0, Total: \$90.0) Full-funding

The UAS Master of Arts in Teaching program (MAT), NCATE accredited, is highly respected within the state of Alaska. Graduates are in high demand. Teacher education is an area of high demand employment in Alaska and growth in this program is dependent on additional faculty. Secondary MAT students all receive employment offers upon graduation. Currently, this program is understaffed to meet the demand within the region and the state. The UAS program grants 70 degrees in teacher education annually. This funding would increase the teacher education graduates by 15.
 - Special Education Program Delivery at Juneau
(GF: \$60.0, NGF: \$20.0, Total: \$80.0) Full-funding

The shortage of special education teachers impacts all districts in the state and has severe implications for the educational achievement of special needs students. Currently, UAS provides a post baccalaureate endorsement in special education curriculum to practicing teachers, as well as Bachelor of Arts in elementary education candidates. The need for this specialized program supports statewide high demand jobs. This endorsement program has grown from a total of 138 SCH during academic year 2004 to 426 SCH in academic year 2005 and requires one full time faculty in addition to existing adjunct resources to meet the growing demand for an "accessible" program.

- Early Childhood Development at Mat-Su
(GF: \$100.0, NGF: \$0.0, Total: \$100.0) Full-funding
Mat-Su Campus is successfully delivering the Early Childhood Development (ECE) program which coordinates education and ECE coursework for the campus as well as teaching and supervising ECE practica. This program has stable student enrollment that is anticipated to continue at current levels given employer demand and has been supported on WFD funding and needs to transition to base funding. This request will fund the ECE faculty and support Mat-Su College in pursuing hybrid courses or distance/blended delivery of courses that can be a combination of online/in-class courses or solely online. Early Childhood Development has been identified as a pilot program in this effort.

FY07 program requests that did not receive state funding

- Early Childhood Education, Alaska SEED (System for Early Childhood Development) Registry Project at Juneau
(GF: \$50.0, NGF: \$0.0, Total: \$50.0)
 - Early Childhood Development at Anchorage
(GF: \$145.0, NGF: \$0.0, Total: \$145.0)
- Distance Education for High Demand Programs
 - Network Administrator at PWSCC
(GF: \$70.0, NGF: \$0.0, Total: \$70.0) Full-funding
This transitions the PWSCC network administrator position, an integral part of successful vocational offerings at Valdez, to base funding. This position is key to several programs and has been funded on WFD funds.
 - Distance Delivery Capacity for High Demand Programs
(GF: \$500.0, NGF: \$0.0, Total: \$500.0) *Combination
*This program will be fully funded through a combination of \$200.0 GF and \$300.0 of continued initiative funding. The \$200.0 will be assigned to SW Academic Affairs for distribution recommendations.
Distance education is critical for Alaska to assure access to higher education. This request funds instructional designers, technical assistants and overall coordination efforts for the delivery of programs meeting high demand jobs in the state. At the direction of the President, UA undertook a comprehensive distance education development program in late 2004. The comprehensive effort included the formation of two groups to advise on distance education matters. The Center for Distance Education was charged with studying and implementing systemwide improvements in distance delivery. The efforts to date have been to focus on providing needed courses for health programs in conjunction with partners, supporting faculty in improving pedagogy, improving internal policies to promote distance education, and providing a distance education gateway for students to access all UA distance courses.

FY07 program requests that did not receive state funding

- Distance Delivery Capacity for High Demand Programs
(GF: \$500.0, NGF: \$0.0, Total: \$500.0)
Note: This program will be fully funded through a combination of \$200.0 GF and \$300.0 of continued initiative funding. The \$200.0 will be assigned to SW Academic Affairs for distribution recommendations.
- Nursing, Behavioral and Allied Health Programs
 - Radiology and Dental Assisting at Tanana Valley Campus
(GF: \$107.0, NGF: \$0.0, Total: \$107.0) Full-funding
This request funds two high demand health programs offered at the TVC. The Radiology program, offered with UAA, provides Fairbanks students with training in one of the highest demand professions in health today. Additional funding comes from private industry. There is a 100 percent placement rate for students with Radiologic Technology degrees. Dental Assisting teaches the basic skills needed in all private dental offices; the training is in high demand and students learn these skills in the newly built dental learning laboratory at TVC. This request transitions these programs to base funding from the current temporary WFD funding source.
 - Nursing and Allied Health Program Support at Juneau Campus
(GF: \$111.2, NGF: \$35.0, Total: \$146.2) Full-funding
This faculty position teaches prerequisite science courses necessary to qualify students for the UAA associate and bachelor degree programs in nursing and other allied health career options. The demand for prerequisite health offerings and allied health programs at UAS has soared as students realize they can access nursing, behavioral health and allied health degrees in Juneau. This request provides for base funding for the existing faculty funded via short term WFD funding.
 - Nursing and Allied Health Program Support at Rural Campuses
(GF: \$156.6, NGF: \$50.0, Total: \$206.6) Full-funding
This request funds faculty and support costs to prepare rural students academically for careers in the health sciences. Specifically, the request funds a faculty position at Kuskokwim Campus in Bethel to teach prerequisite courses that will help qualify students for the UAA associate in nursing and other allied health career options. The demand for prerequisite health offerings and allied health programs will continue in Bethel. This request provides for base funding for the portion of the existing faculty funded via WFD funding. This funding is only part of the cost, as community partnerships will continue to provide for full-funding of the position. The College of Rural and Community Development also has successfully partnered with health providers, other UA campuses, and agencies to deliver a host of allied health offerings throughout the region. This request transitions successful WFD funded programs to base funding.
 - Training for Rural Based Counselors
(GF: \$100.0, NGF: \$0.0, Total: \$100.0) Full-funding
The Rural Human Services certificate program has trained over 100 counselors across the state over the last decade. The majority of these counselors have continued to provide

front-line mental health and alcohol counseling services in their rural communities. More than half have or are pursuing advanced degrees in the field. The program is being studied as a national model for producing qualified behavioral health care workers for rural and indigenous communities. This program has been funded with temporary WFD sources for several years. This provides base funding for long term sustainability for the program.

- Distance-Delivered Bachelors in Social Work at UAF
(GF: \$65.0, NGF: \$25.0, Total: \$90.0) Full-funding
Since UAF began offering the distance BSW program in 2001, the number of students has grown dramatically. Over 130 students from all over Alaska are enrolled in the distance program. Also, in 2004, UAF began offering an intensive cohort program for 15 carefully selected and highly motivated Alaska Native students which will result in 15 social work graduates in the near term. These monies assist in meeting the growing demands of the distance delivery BSW program which is incurring additional costs in faculty and direct student support.

- Nursing and Allied Health Program Support at Sitka Campus
(GF: \$75.0, NGF: \$0.0, Total: \$75.0) Full-funding
This request supports a science faculty in Sitka to teach Anatomy and Physiology, Chemistry and Microbiology both to distance and local Sitka students. UAS Sitka faculty has excelled in teaching prerequisite science classes by distance and demand for these courses continues to increase. Sitka is among the most recent communities receiving the AAS nursing program. This faculty position, currently supported on WFD funds, supports both the Sitka cohort nursing program with UAA and other students statewide and is a necessary ongoing position for meeting the health care demands in Sitka and the rest of the state.

- Health Program Leadership across the University System
(GF: \$150.0, NGF: \$500.0 Total: \$650.0) Full-funding
This request is to transition the Associate Vice President for Health position and office to permanent base funding. Started through grant funding and now being supported on temporary resources, this position has proven pivotal in coordinating the start up and implementation of nursing, allied health, biomedical research and behavioral health programs throughout the state. Health programs are among UA's most expensive investments and the AVPH works to provide efficient, non duplicative delivery of programs. The AVPH has assisted the University is raising over \$4M in private industry funding for nursing and allied health and another \$16M in other investments.

FY07 program requests that did not receive state funding

- Behavioral Health Program Partnership Continuation
(GF: \$100.0, NGF: \$100.0, Total: \$200.0)

- Business and Public Policy Programs

- Small Business Development Center Procurement and Technical Assistance and Performance Excellence Programs at Anchorage Campus
(PTAC GF: \$147.0, Business Excellence GF: \$135.0, Total: \$282.0) *Combination
*This program will be fully funded through a combination of \$147.0 GF for PTAC and the current \$135.0 of the BP/CP funding.
The Alaska Performance Excellence Award Program (APEX) is a quality award program modeled on the nationally recognized Malcolm Baldrige Quality Award Program. The purpose of the program is to improve the performance of participating Alaska organizations that use specific measurable criteria to evaluate the performance of their organization and encourage continuous improvement to sustain economic and competitive viability in the global marketplace. Forty of fifty states currently provide a similar program of organizational improvement and recognition. The procurement and technical assistance program (PTAC) provides support to small businesses to compete for government contracts. Funding for this program meets the grant match for continuation of the program.
- Public Policy Institute of Social and Economic Research (ISER) Support at Anchorage Campus
(GF: \$230.0, NGF: \$300.0, Total: \$530.0) Full-funding
ISER is committed to expanding the University's capacity to contribute high quality, relevant and timely policy research regarding Alaska's communities and business environment. Additional general funds are needed to expand the areas of policy research in health care economics and energy policy.
- Business Faculty and Experimental Economics Lab at Anchorage Campus
(GF: \$200.0, NGF: \$135.0, Total: \$335.0) Full-funding
The College of Business and Public Policy needs additional faculty resources for delivery of its business, marketing and accounting programs. Additional funding is sought to support an Experimental Economics Lab that will attract students and quality economic faculty. This is only a small amount of the funding required for these needs and future year requests are anticipated.
- Finance Faculty Adjuncts at Juneau Campus
(GF: \$45.0, NGF: \$25.0, Total: \$70.0) Full-funding
This request will provide resources to cover the required finance courses for the UAS distance MBA program. Instead of using a traditional faculty model to create a greater link with employers, UAS will seek to partner with employers who have the financial expertise to support the course delivery. While the cost will still be high, there is limited coursework required in finance and less than full time faculty are needed in specialized disciplines.

FY07 program requests that did not receive state funding

- Performance Excellence Programs at Anchorage Campus
(GF: \$135.0, NGF: \$0.0, Total: \$135.0)
This request was funded through BP/CP in FY07 and is part of UA's FY08 request.

- Meeting Student Demand

- Math and Biology Faculty at PWSCC
(GF: \$95.0, NGF: \$30.0, Total: \$125.0) Full-funding
This request provides funding for a full time faculty member and adjunct faculty in the areas of math and the biological sciences. These faculty resources, in addition to providing basic core requirements, will support the growing demand for classes in the health care fields. The Community College has established a partnership with Providence Valdez Medical Center. PWSCC, with qualified instructional staff and its partnership with the local hospital, can provide students needed classes.
- College of Arts and Sciences General Education Faculty at Anchorage Campus
(GF: \$150.0, NGF: \$200.0, Total: \$350.0) Full-funding
The UAA College of Arts and Sciences (CAS) is a critical unit and delivers the general education requirements for students pursuing degrees for Alaska high demand jobs. CAS requires additional faculty resources to meet student demand in a select number of general education disciplines.
- Cooperative Extension Juneau Agent
(GF: \$50.0, NGF: \$50.0, Total: \$100.0) Full-funding
This provides base funding for the Juneau Extension agent currently funded on temporary funding and community support. This position has strong support and is the only extension agent in Juneau.

Preparing Alaskans for New Jobs

- Engineering

- Baccalaureate Engineering Program, Alaska Native Science Engineering Program and Engineering Professional Training at Anchorage Campus
(GF: \$375.0, NGF: \$330.0, Total: \$705.0) Full-funding
This request provides initial faculty to support the industry-requested general engineering program in Anchorage. The program, started in response to employers' needs through reallocation and temporary funding sources, is exceeding demand expectation with 90 students applying for the first semester. In addition to faculty for the engineering program, resources are required for the general education requirements. Funding will also support and enhance the national and local award-winning Alaska Native Science and Engineering scholars program and sustain the professional development training function for professional engineers.
- Expansion of Engineering Instruction Programs at Fairbanks and Anchorage Campus
(GF: \$350.0, NGF: \$200.0, Total: \$550.0) Full-funding
In conjunction with industry partners and in recognition of the pending construction booms, the university is developing an expansion plan to double the number of engineering graduates at UA. This request is in addition to the funding for the general engineering program successfully started in Anchorage. This plan will require funding for career awareness, recruitment, and additional faculty for program growth. There will be additional requests in FY08 and FY09.

- Engineering Research at Fairbanks Campus
(GF: \$250.0, NGF: \$600.0, Total \$850.0) Full-funding
This request provides base funding to enable priority research initiatives for the recently integrated engineering programs at UAF. Research initiatives being pursued include mining, energy, electronics research and public/private partnership with cold climate housing. The Institute of Northern Engineering requires a small amount of base state funding to support a portion of faculty salaries for proposal development. With the advent of research initiatives and opportunities housed in the Arctic Energy Technology Development Laboratory, Office of Electronic Miniaturization, Cold Climate Housing Research Center, and Transportation Research Center at INE, this modest amount of base funding is required to leverage significant externally funded research opportunities critical to the research topics important to the resource extraction industry.

- Construction and Mining Training

- Construction Technology and Construction Management Program in Anchorage
*(GF: \$205.0, NGF: \$240.0, Total: \$445.0) Full-funding
The Department of Labor projects a steady increase in the demand for trained construction managers. Typical job titles for such positions include project managers, assistant project managers, project coordinators, project administrators, project field assistants, cost estimators, quantity surveyors, and project schedulers. This funding continues the construction technology faculty currently funded on WFD funds and funding for construction management programs. The construction management program is being started in partnership with industry.
*Published FY07 Redbook amount of \$285.0 was in error. The intent was \$205.0 for this program.

Note: This request provided funding for the two-year associate degree program. UA's FY08 budget request extends the program to the baccalaureate level.

- MAPTS Expansion, Mining Training and Process Technology at Kenai Peninsula College
(GF: \$570.0, NGF: \$200.0, Total: \$770.0) *Combination
*This program will be fully funded through a combination of \$70.0 GF for Process Technology, \$300.0 GF for MAPTS and commit \$200.0 from SB137.
There are several new mining operations developing throughout the state. Responsive, timely, coordinated training opportunities are required for preparing the workforce. The MAPTS program has a proven track record of meeting workforce needs. This funding enables the MAPTS program to meet the mining training needs statewide.
- Process Technology and Construction Management at Tanana Valley Campus
*(GF: \$180.0, NGF: \$700.0, Total: \$880.0) Full-funding
Alaska needs workers to meet the number of jobs that are available in the process technology and construction management career fields. Tanana Valley Campus has been working with partners including the Alaska Process Industry Careers Consortium (APICC) and construction industry partners. These programs are vital to training Alaskans for the gas line jobs and most importantly the legacy jobs that will last beyond initial construction. TVC has been successful in securing grants and community industry support to move these programs forward. This funding provides base funding for the

Process Technology position being funded on WFD funding and provides for expansion of process technology and construction management programs.

*Published FY07 Redbook amount of \$100.0 was in error. The intent was \$180.0 for this program.

FY07 program requests that did not receive state funding

- Construction Technology and Training in Rural Alaska
(GF: \$127.0, NGF: \$40.0, Total: \$167.0)
- Construction Technology and Kensington Mine Support at Juneau
(GF: \$140.0, NGF: \$60.0, Total: \$200.0)
This request was funded through SB137 in FY07 and the Construction Technology portion of this request is part of UA's FY08 request.
- Marine Technology at Ketchikan
(GF: \$127.0, NGF: \$40.0, Total: \$167.0)
- MAPTS Expansion, Mining Training and Process Technology at Kenai Peninsula College
(GF: \$570.0, NGF: \$200.0, Total: \$770.0)
This program was fully funded through a combination of \$70.0 GF for Process Technology, \$300.0 GF for MAPTS and \$200.0 from SB137. UA's FY08 budget request includes \$200K to augment FY07 funding allocations.
- Vocational Education
 - Diesel Program at Juneau Campus
(GF: \$50.0, NGF: \$40.0, Total: \$90.0) Full-funding
This provides base funding for the faculty position for the marine diesel program which also supports other UAS vocational programs. The UAS marine oiler program is a 28-credit series related to marine engine operations and other marine safety topics resulting in an Oiler Z card, enabling graduates to work in a documented marine engine room position. The Alaska Marine Highway System, Inland Boatman's Union and UAS signed a 5-year extension to the current agreement to educate and train marine engine room oilers.
 - Tech Prep Coordinator at Anchorage Campus
(GF: \$100.0, NGF: \$0.0, Total: \$100.0) Full-funding
This provides base funding for the Community and Technical College Tech Prep program that has been funded with WFD funds. The program links high school students to high demand vocational careers. There is strong participation with more than 240 tech prep students now enrolled in degree programs. The program currently works with 13 partner locations (high schools, technical education centers, vocational-rehab programs, Department of Corrections, and others), 36 partner instructors, and offers over 100 articulated courses.

- Workforce Development Leadership at Statewide
(GF: \$150.0, NGF: \$0.0, Total: \$150.0) Full-funding
This funding allows UA to reinstate the systemwide administrative role responsible for leadership and coordination for vocational and workforce programs. The many industry workforce consortia and state committees need representation from UA to provide voice for UA job training capabilities and opportunities (transportation, construction, oil, gas, mining, information technology, DOL AWIB). The SW UA Vocational and Workforce Development Advisory Committee has been moribund for years due to lack of staffing and has resulted in a loss of public and industry program knowledge and advocacy. Pressure for increased collaboration with schools, regional vocational training centers, and proprietary training facilities is becoming more necessary as well as more advantageous, and staffing is required to facilitate discussion and planning priority programs and to seek external funding opportunities through partnerships.

FY07 program requests that did not receive state funding

- Career Service Center at Mat-Su College
(GF: \$75.0, NGF: \$0.0, Total: \$75.0)
This program is part of UA's FY08 request.

Competitive University Research Investment (Ph 1 of 5)

- Health Research

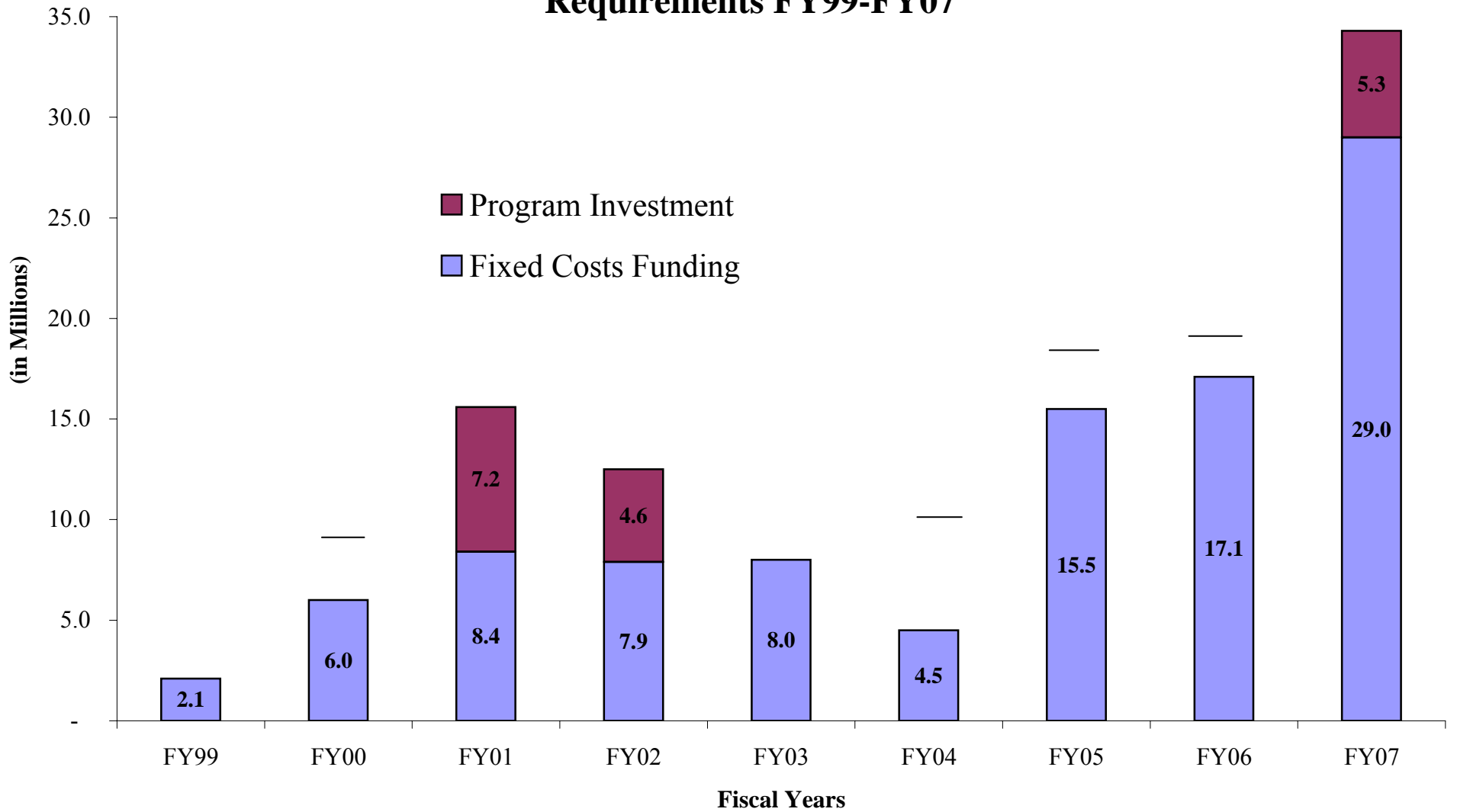
- Bio-medical Health Research at Fairbanks Campus
(GF: \$200.0, NGF: \$250.0, Total: \$450.0) *Partial funding
*Original request was \$300.0 GF
Biomedical Research activities have grown dramatically at UAF in the last four years. Two major National Institutes of Health (NIH) grants totaling over \$45M for a multi-year period have been received. State funds are needed as match to enhance activities and pay for faculty costs not covered by federal dollars. Research emphases are tailored to meet state needs, including research into the genetics of obesity and the nutritional value of subsistence foods. Other research includes tracking and understanding the mechanics of infectious diseases, particularly the avian influenza virus.
- Joint Psychology PhD at Fairbanks and Anchorage Full-funding
(UAF GF: \$268.0, NGF: \$200.0; UAA GF: \$268.0, NGF: \$200.0, Total: \$936.0)
This new joint degree was approved by the Board of Regents in the summer of 2005 in an effort to meet the clinical behavioral health needs in urban and rural Alaska. The program will begin enrolling students in 2006 and in five years will have approximately 40 students training in clinical and research practices relevant to Alaska. Six to eight graduates a year are expected.

- Arctic Research

- Geographic Information Network (GINA)
(GF: \$300.0, NGF: \$400.0, Total: \$700.0) Full-funding
Critical to global change research, GINA is the University of Alaska's mechanism for organizing and sharing its diverse data and technological capabilities among the Alaskan,

Arctic, and world communities. This increment would provide funding for full staffing of the GINA lab for real-time satellite data and imagery services and support of Geography and other programs. GINA supports state service, and emergency management, and resource assessment initiatives as well as a large number of basic and applied research projects. Established in 2001 as an initiative of UA's President, GINA operates at all three of UA's main residential campuses and works with agencies, NGO, and private sector organizations to serve geospatial data needs for Alaska. GINA's real-time satellite data and imagery services are a critical and much appreciated component of these agencies' emergency response operations.

University of Alaska State Appropriation Program Funding in Excess of Fixed Costs Requirements FY99-FY07



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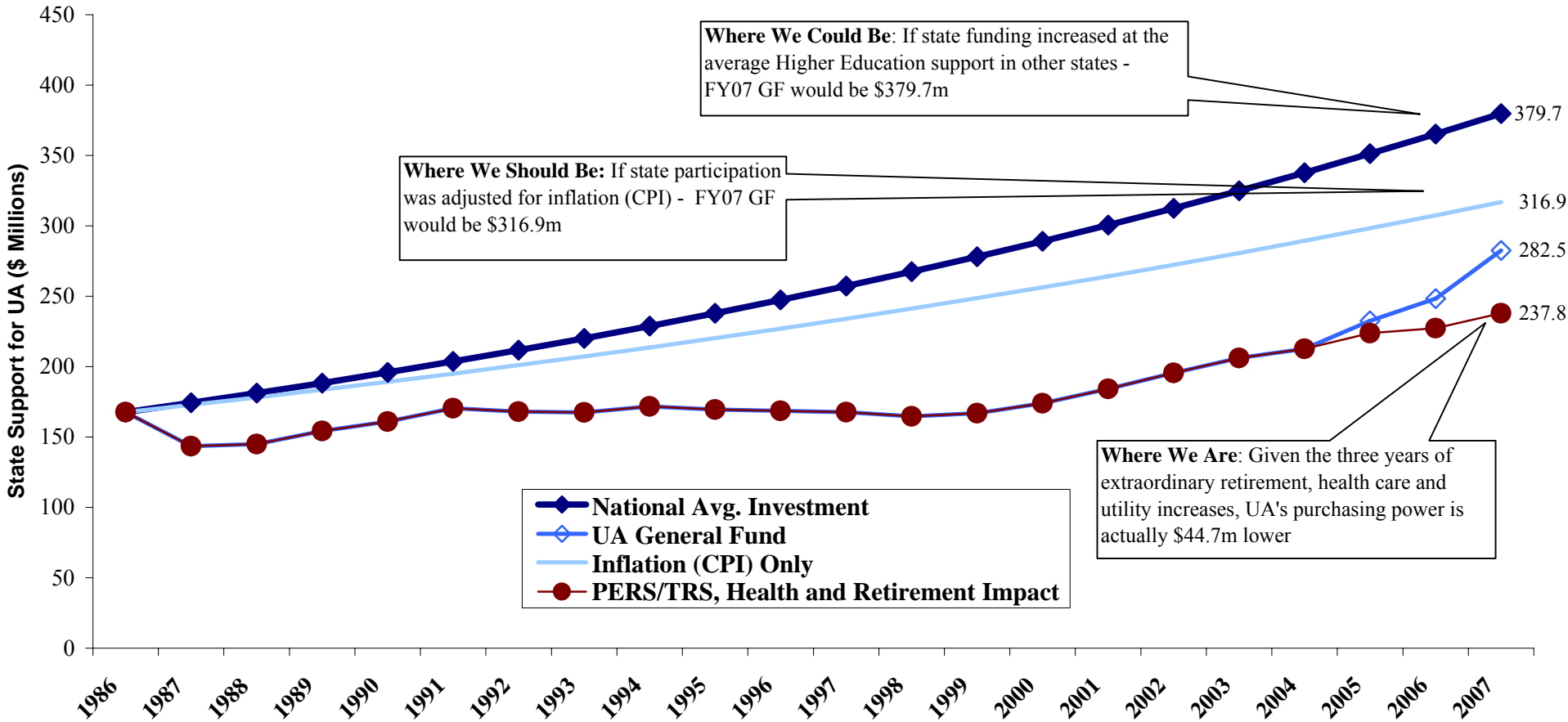
**University of Alaska
State Appropriation Comparison Table**

	State Appropriation Funding	National CPI	Education Price Index (HEPI)
1986	167,615.7	167,615.7	167,615.7
1987	143,522.0	172,778.2	174,270.0
1988	144,905.3	178,099.8	181,188.6
1989	154,226.4	183,585.3	188,381.7
1990	161,014.6	189,239.7	195,860.5
1991	170,434.3	195,068.3	203,636.2
1992	168,105.5	201,076.4	211,720.5
1993	167,409.2	207,269.5	220,125.8
1994	171,815.6	213,653.4	228,864.8
1995	169,513.5	220,234.0	237,950.8
1996	168,680.0	227,017.2	247,397.4
1997	167,693.6	234,009.3	257,219.1
1998	164,744.6	241,216.8	267,430.7
1999	166,974.3	248,646.3	278,047.7
2000	173,951.2	256,304.6	289,086.2
2001	184,136.9	264,198.8	300,562.9
2002	195,500.0	272,336.1	312,495.2
2003	206,080.9	280,724.0	324,901.3
2004	212,717.1	289,370.3	337,799.9
*2005	232,616.1	298,282.9	351,210.5
*2006	248,326.3	307,470.1	365,153.6
*2007	282,532.0	316,940.1	379,650.2
Total Inflationary Disparity		34,408.1	97,118.2

In 1987, UA had a \$24M reduction in the State Appropriation amount. Not until 1999, was funding permanently restored.

*Indicates years of extra-ordinary retirement increases

University of Alaska State Appropriations 1986-2007



University of Alaska
FY06-FY07 Budget and FY08 Budget Request by NCHEMS (000's)

Total University of Alaska	FY06 Budget			FY07 Budget			FY08 Budget Request		
	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds
Academic Support	23,630.8	10,825.1	34,455.9	30,022.3	8,309.5	38,331.8	44,622.9	14,186.4	58,809.3
Instruction	70,910.2	120,168.5	191,078.7	82,440.2	130,732.8	213,173.0	93,800.5	119,257.8	213,058.3
Intercollegiate Athl.	3,680.9	4,043.8	7,724.7	4,178.6	4,715.1	8,893.7	5,104.3	5,757.6	10,861.8
Library Services	11,776.5	2,658.6	14,435.1	12,678.9	2,720.2	15,399.1	15,979.1	3,619.7	19,598.7
Scholarships	1,622.7	10,100.7	11,723.4	1,208.2	10,542.6	11,750.8	1,779.9	11,635.0	13,414.9
Student Services	19,824.5	7,909.0	27,733.5	22,128.7	7,872.1	30,000.8	27,478.2	10,897.3	38,375.5
Instruction and Student Related	131,445.6	155,705.7	287,151.3	152,656.9	164,892.3	317,549.2	188,764.7	165,353.7	354,118.5
Institutional Support	55,630.4	43,159.6	98,790.0	61,128.5	52,607.3	113,735.8	67,731.7	40,792.7	108,524.3
Debt Service	1,920.7	2,437.3	4,358.0	1,920.7	3,337.3	5,258.0	2,585.4	1,677.4	4,262.8
Physical Plant	35,434.9	25,898.3	61,333.2	39,148.4	27,819.8	66,968.2	51,817.1	29,620.1	81,437.1
Infrastructure	92,986.0	71,495.2	164,481.2	102,197.6	83,764.4	185,962.0	122,134.1	72,090.1	194,224.2
Public Service	5,770.8	17,335.4	23,106.2	6,246.1	17,951.5	24,197.6	8,326.9	18,861.1	27,188.0
Research	17,986.4	111,272.3	129,258.7	21,431.3	125,857.4	147,288.7	32,730.7	148,921.1	181,651.9
Auxiliary Services	0.0	42,804.1	42,804.1	0.0	44,517.5	44,517.5	0.0	45,371.8	45,371.8
Unallocated Authority	0.0	67,423.3	67,423.3	0.0	54,592.1	54,592.1	0.0	77,581.1	77,581.1
Totals:	248,188.8	466,036.0	714,224.8	282,531.9	491,575.2	774,107.1	351,956.4	528,179.0	880,135.4
Other Appropriations**	77.5	0.0	77.5	2.0	0.0	2.0	2.0	0.0	2.0
Total:	248,266.3	466,036.0	714,302.3	282,533.9	491,575.2	774,109.1	351,958.4	528,179.0	880,137.4

Note: The NCHEMS detail above differs from NCHEMS detail reported in the Financial Statements due to reporting requirements for transfers and Indirect Cost Recovery.

*State Appropriations includes GF, GF/Match, GF/MHT, ACPE Funds, ASTF Funds and Workforce Development Funds.

**Other appropriations in the FY06 budget include \$2.5 License Plate Revenue and \$75.0 for the FFA State Director; FY07 includes \$2.0 in License Plate Revenue; and FY08 includes \$2.0 in License Plate Revenue.

University of Alaska
FY96, FY99, FY06 Actual Expenditures by NCHEMS (000's)

Total University of Alaska	FY96 Actuals			FY99 Actuals			FY06 Actuals			% Change FY99-FY06		
	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds
Academic Support	14,490.8	3,184.2	17,675.0	11,299.7	2,888.6	14,188.3	26,680.9	9,523.8	36,204.7	136.1%	229.7%	155.2%
Instruction	48,403.1	52,349.4	100,752.5	50,404.5	52,759.9	103,164.4	69,685.3	95,411.9	165,097.2	38.3%	80.8%	60.0%
Intercollegiate Athl.	2,695.7	3,365.7	6,061.4	2,232.6	3,524.6	5,757.2	3,792.0	5,169.9	8,961.9	69.9%	46.7%	55.7%
Library Services	8,339.1	3,733.1	12,072.2	8,667.3	3,969.9	12,637.2	11,871.0	3,250.2	15,121.2	37.0%	-18.1%	19.7%
Scholarships**	640.5	6,890.9	7,531.4	699.5	10,546.0	11,245.5	1,322.3	14,039.1	15,361.4	** See note		
Student Services	10,981.0	6,529.5	17,510.5	10,524.3	6,368.2	16,892.5	20,413.8	9,785.0	30,198.8	94.0%	53.7%	78.8%
Instruction and Student Related	85,550.2	76,052.8	161,603.0	83,827.9	80,057.2	163,885.1	133,765.3	137,179.9	270,945.2	59.6%	71.4%	65.3%
Institutional Support	32,156.4	30,787.5	62,943.9	35,448.8	28,554.3	64,003.1	50,318.5	36,628.9	86,947.4	42.0%	28.3%	35.9%
Debt Service	2,652.0	744.2	3,396.2	2,762.1	883.5	3,645.6	1,920.7	1,506.2	3,426.9	-30.5%	70.5%	-6.0%
Physical Plant	30,701.1	14,146.5	44,847.6	29,237.3	14,560.8	43,798.1	38,495.4	26,596.7	65,092.1	31.7%	82.7%	48.6%
Infrastructure	65,509.5	45,678.2	111,187.7	67,448.2	43,998.6	111,446.8	90,734.6	64,731.8	155,466.4	34.5%	47.1%	39.5%
Public Service	5,460.0	12,201.9	17,661.9	4,731.2	13,045.4	17,776.6	6,186.1	25,017.3	31,203.4	30.8%	91.8%	75.5%
Research	15,060.3	44,655.5	59,715.8	12,955.6	63,192.1	76,147.7	19,858.5	118,353.5	138,212.0	53.3%	87.3%	81.5%
Auxiliary Services	0.0	20,432.0	20,432.0	0.0	29,286.4	29,286.4	0.0	40,740.6	40,740.6	0.0%	39.1%	39.1%
Unallocated Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Totals:	171,580.0	199,020.4	370,600.4	168,962.9	229,579.7	398,542.6	250,544.5	386,023.1	636,567.6	48.3%	68.1%	59.7%
Other Appropriations***				641.4		641.4	72.9		72.9			
Total:	171,580.0	199,020.4	370,600.4	169,604.3	229,579.7	399,184.0	250,617.4	386,023.1	636,640.5	47.8%	68.1%	59.5%

FY06 Actuals include \$2,355.6M supplemental for Utility Increases

Note: The NCHEMS detail above differs from NCHEMS detail reported in the Financial Statements due to reporting requirements for transfers and Indirect Cost Recovery.

*State Appropriations includes GF, GF/Match, GF/MHT, ACPE Funds, ASTF Funds and Workforce Development Funds.

**Commencing in FY03, in accordance with GASB 34, the university is required to report student tuition and fee revenue and auxiliary receipts net of allowances and discounts, with corresponding offsets in scholarships. For more information see www.alaska.edu/swbudget/publications/tuitiondescription/tuitionindex.xml.

***Other Appropriations in FY99 include \$594.9 for Y2K assessment and remediation, and \$46.5 re-appropriation for library books; FY06 includes \$2.5 in License Plate Revenue and \$75.0 (\$70.4 actual expenditure) for the FFA State Director.

University of Alaska
FY04, FY05, FY06 Actual Expenditures by NCHEMS (000's)

Total University of Alaska	FY04 Actuals			FY05 Actuals			FY06 Actuals			% Change FY04-FY06		
	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds	State Approp*	Receipts Authority	Total Funds
Academic Support	19,754.1	6,924.7	26,678.8	23,854.1	7,698.9	31,553.0	26,680.9	9,523.8	36,204.7	35.1%	37.5%	35.7%
Instruction	60,916.9	87,406.5	148,323.4	64,473.2	88,345.2	152,818.4	69,685.3	95,411.9	165,097.2	14.4%	9.2%	11.3%
Intercollegiate Athl.	3,100.7	4,266.4	7,367.1	3,407.9	4,525.6	7,933.5	3,792.0	5,169.9	8,961.9	22.3%	21.2%	21.7%
Library Services	12,894.0	3,577.7	16,471.7	11,208.2	3,440.2	14,648.4	11,871.0	3,250.2	15,121.2	-7.9%	-9.2%	-8.2%
Scholarships**	3,277.0	10,623.4	13,900.4	3,009.4	10,911.9	13,921.3	1,322.3	14,039.1	15,361.4	-59.7%	32.2%	10.5%
Student Services	17,761.0	8,772.1	26,533.1	18,533.2	10,000.1	28,533.3	20,413.8	9,785.0	30,198.8	14.9%	11.6%	13.8%
Instruction and Student Related	117,703.7	121,570.8	239,274.5	124,486.0	124,921.9	249,407.9	133,765.3	137,179.9	270,945.2	13.7%	12.8%	13.2%
Institutional Support	41,248.7	34,312.0	75,560.7	46,669.9	37,160.5	83,830.4	50,318.5	36,628.9	86,947.4	22.0%	6.8%	15.1%
Debt Service	1,533.5	32,325.5	33,859.0	1,970.7	1,705.0	3,675.7	1,920.7	1,506.2	3,426.9	25.3%	-95.3%	-89.9%
Physical Plant	32,298.3	26,957.5	59,255.8	33,496.7	27,772.1	61,268.8	38,495.4	26,596.7	65,092.1	19.2%	-1.3%	9.9%
Infrastructure	75,080.5	93,595.0	168,675.5	82,137.3	66,637.6	148,774.9	90,734.6	64,731.8	155,466.4	20.9%	-30.8%	-7.8%
Public Service	5,967.5	20,453.3	26,420.8	5,791.3	23,544.5	29,335.8	6,186.1	25,017.3	31,203.4	3.7%	22.3%	18.1%
Research	16,832.2	108,681.3	125,513.5	18,720.2	112,571.8	131,292.0	19,858.5	118,353.5	138,212.0	18.0%	8.9%	10.1%
Auxiliary Services	0.0	32,214.3	37,451.8	0.0	37,925.7	37,925.7	0.0	40,740.6	40,740.6	0.0%	26.5%	8.8%
Unallocated Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Totals:	215,583.9	376,514.7	597,336.1	231,134.8	365,601.5	596,736.3	250,544.5	386,023.1	636,567.6	16.2%	2.5%	6.6%
Other Appropriations***	2.1	0.0	2.1	887.7	0.0	887.7	72.9	0.0	72.9			
Total:	215,586.0	376,514.7	597,338.2	232,022.5	365,601.5	597,624.0	250,617.4	386,023.1	636,640.5	16.3%	2.5%	6.6%

FY06 Actuals include \$2,355.6M supplemental for Utility Increases

Note: The NCHEMS detail above differs from NCHEMS detail reported in the Financial Statements due to reporting requirements for transfers and Indirect Cost Recovery.

*State Appropriations includes GF, GF/Match, GF/MHT, ACPE Funds, ASTF Funds and Workforce Development Funds.

**Commencing in FY03, in accordance with GASB 34, the university is required to report student tuition and fee revenue and auxiliary receipts net of allowances and discounts, with corresponding offsets in scholarships. For more information see Appendix F and www.alaska.edu/swbudget/publications/tuitiondescription/tuitionindex.xml.

***Other appropriations in the FY04 budget include \$2.1 in License Plate Revenue; FY05 includes \$2.2 in License Plate Revenue, a \$65.0 re-appropriation to UAA, \$631.3 TVEP and \$189.2 in additional Workforce Development funds; and FY06 includes \$2.5 in License Plate Revenue and \$75.0 (\$70.4 actual expenditure) for the FFA State Director.

FY03-FY06 Actual Expenditures by Campus/MAU (000's)

Total University of Alaska	FY03 Actuals			FY04 Actuals			FY05 Actuals			FY06 Actuals			% Change FY05-FY06		
	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds
Statewide Programs & Services															
Statewide Services	8,440.0	15,053.2	23,493.2	8,373.1	17,539.6	25,912.7	10,033.0	19,592.1	29,625.1	11,409.9	22,524.1	33,934.0	13.7%	15.0%	14.5%
Statewide Networks (ITS)	6,872.1	4,660.0	11,532.1	6,953.8	4,380.9	11,334.7	7,544.4	5,107.6	12,652.0	7,848.9	4,509.0	12,357.9	4.0%	-11.7%	-2.3%
Total SPS	15,312.1	19,713.2	35,025.3	15,326.9	21,920.5	37,247.4	17,577.4	24,699.7	42,277.1	19,258.8	27,033.1	46,291.9	9.6%	9.4%	9.5%
University of Alaska Anchorage															
Anchorage Campus	64,880.0	87,749.2	152,629.2	66,627.5	97,112.0	163,739.5	71,097.9	99,873.3	170,971.2	76,369.2	107,090.2	183,459.4	7.4%	7.2%	7.3%
Kenai Pen. Col.	4,045.9	2,586.8	6,632.7	4,043.5	3,076.0	7,119.5	4,862.4	3,603.7	8,466.1	5,574.0	4,331.2	9,905.2	14.6%	20.2%	17.0%
Kodiak College	1,957.5	1,261.8	3,219.3	1,977.8	1,221.0	3,198.8	2,084.7	1,006.2	3,090.9	2,299.3	872.5	3,171.8	10.3%	-13.3%	2.6%
Mat-Su College	3,072.6	3,118.2	6,190.8	3,129.6	3,002.9	6,132.5	3,328.4	2,713.1	6,041.5	3,597.1	2,729.0	6,326.1	8.1%	0.6%	4.7%
Prince Wm Snd CC	1,906.4	2,969.9	4,876.3	1,949.0	3,198.7	5,147.7	2,034.6	2,828.8	4,863.4	2,353.5	2,255.2	4,608.7	15.7%	-20.3%	-5.2%
Total UAA	75,862.4	97,685.9	173,548.3	77,727.4	107,610.6	185,338.0	83,408.0	110,025.1	193,433.1	90,193.1	117,278.1	207,471.2	8.1%	6.6%	7.3%
University of Alaska Fairbanks															
Fairbanks Campus	70,354.8	84,193.4	154,548.2	72,388.1	92,473.5	164,861.6	76,644.1	94,950.9	171,595.0	83,284.9	96,791.2	180,076.1	8.7%	1.9%	4.9%
Fairbanks Org. Res.	14,955.9	89,400.1	104,356.0	14,810.0	91,674.0	106,484.0	16,304.1	96,466.8	112,770.9	17,112.3	103,691.6	120,803.9	5.0%	7.5%	7.1%
College of Rural & Community Development															
Bristol Bay Campus	842.6	1,206.3	2,048.9	840.9	1,792.4	2,633.3	886.1	1,921.5	2,807.6	945.0	1,869.6	2,814.6	6.6%	-2.7%	0.2%
Chukchi Campus	611.4	971.6	1,583.0	607.1	1,171.7	1,778.8	627.9	851.8	1,479.7	717.9	799.1	1,517.0	14.3%	-6.2%	2.5%
Cooperative Ext.	3,060.7	2,925.9	5,986.6	3,015.1	2,940.9	5,956.0	3,170.4	3,682.7	6,853.1	3,396.0	3,716.9	7,112.9	7.1%	0.9%	3.8%
Interior-Aleut. Campus	1,096.9	1,444.4	2,541.3	1,434.2	1,671.5	3,105.7	1,202.3	1,910.0	3,112.3	1,292.1	1,992.6	3,284.7	7.5%	4.3%	5.5%
Kuskokwim Campus	2,022.0	2,184.4	4,206.4	2,077.2	2,966.4	5,043.6	2,145.5	3,311.0	5,456.5	2,476.5	2,903.5	5,380.0	15.4%	-12.3%	-1.4%
Northwest Campus	1,287.9	806.8	2,094.7	1,317.9	1,175.3	2,493.2	1,349.4	728.5	2,077.9	1,432.8	583.2	2,016.0	6.2%	-19.9%	-3.0%
College of Rural & Com. Dev.	3,675.9	2,618.6	6,294.5	3,376.4	4,479.8	7,856.2	4,038.7	5,900.1	9,938.8	4,378.1	5,650.9	10,029.0	8.4%	-4.2%	0.9%
Tanana Valley Campus	3,454.1	3,266.7	6,720.8	3,650.9	3,260.8	6,911.7	3,451.8	3,559.7	7,011.5	4,155.2	4,284.8	8,440.0	20.4%	20.4%	20.4%
Total UAF	101,362.2	189,018.2	290,380.4	103,517.8	203,606.3	307,124.1	109,820.3	213,283.0	323,103.3	119,190.8	222,283.4	341,474.2	8.5%	4.2%	5.7%
University of Alaska Southeast															
Juneau Campus	14,553.7	11,469.9	26,023.6	15,016.0	13,396.1	28,412.1	16,057.8	12,625.3	28,683.1	17,326.5	14,308.6	31,635.1	7.9%	13.3%	10.3%
Ketchikan Campus	1,838.0	1,197.7	3,035.7	1,914.8	1,326.0	3,240.8	2,108.8	1,770.0	3,878.8	2,225.4	1,787.5	4,012.9	5.5%	1.0%	3.5%
Sitka Campus	2,070.5	3,859.8	5,930.3	2,081.0	3,419.6	5,500.6	2,162.6	3,198.3	5,360.9	2,349.8	3,332.5	5,682.3	8.7%	4.2%	6.0%
Total UAS	18,462.2	16,527.4	34,989.6	19,011.8	18,141.7	37,153.5	20,329.2	17,593.6	37,922.8	21,901.7	19,428.6	41,330.3	7.7%	10.4%	9.0%
Revenue Subtotal	210,998.9	322,944.7	533,943.6	215,583.9	351,279.1	566,863.0	231,134.9	365,601.4	596,736.3	250,544.4	386,023.2	636,567.6	8.4%	5.6%	6.7%
Other Appropriations**	265.9		265.9	2.1		2.1	887.7		887.7	72.9		72.9			
Total University	211,264.8	322,944.7	534,209.5	215,586.0	351,279.1	566,865.1	232,022.6	365,601.4	597,624.0	250,617.3	386,023.2	636,640.5	8.0%	5.6%	6.5%

FY06 Actuals include \$2,355.6M supplemental for Utility Increases

*State Appropriations includes GF, GF/Match, GF/MHT, ACPE Funds, ASTF Funds and Workforce Development Funds

**Other appropriations in the FY03 budget include \$250.0 for SB2006 for the Nursing Program and \$15.9 for License Plate Revenue; FY04 includes \$2.1 in License Plate Revenue; FY05 includes \$2.2 in License Plate Revenue, \$65.0 reappropriation to UAA, \$631.3 TVEP and \$189.2 in additional Workforce Development Funds; and FY06 includes \$2.5 License Plate Revenue and \$75.0 (\$70.4 actual expenditure) for the FFA State Director.

FY05-FY08 Budget by Campus/MAU (000's)

Total University of Alaska	FY05 Budget			FY06 Budget			FY07 BOR Authorization			FY08 BOR Budget Request		
	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds
Systemwide Components Summary												
Reductions & Additions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increments Requested	0.0	2,107.9	2,107.9	0.0	7,846.8	7,846.8	0.0	7,686.8	7,686.8	0.0	7,686.8	7,686.8
Total SW BRA	0.0	2,107.9	2,107.9	0.0	7,846.8	7,846.8	0.0	7,686.8	7,686.8	0.0	7,686.8	7,686.8
Statewide Programs & Services												
Statewide Services	11,341.1	25,560.8	36,901.9	11,849.3	28,386.9	40,236.2	14,232.9	29,211.1	43,444.0	17,298.1	31,006.3	48,304.4
Statewide Networks (ITS)	7,226.2	7,097.3	14,323.5	7,833.2	8,135.0	15,968.2	9,073.9	9,156.3	18,230.2	10,667.9	10,207.0	20,874.9
Total SPS	18,567.3	32,658.1	51,225.4	19,682.5	36,521.9	56,204.4	23,306.8	38,367.4	61,674.2	27,966.0	41,213.3	69,179.3
University of Alaska Anchorage												
Anchorage Campus	70,794.5	122,040.2	192,834.7	75,509.9	125,700.6	201,210.5	86,052.4	133,142.7	219,195.1	109,367.5	141,556.1	250,923.6
Kenai Pen. Col.	4,661.9	4,221.6	8,883.5	5,226.8	4,400.4	9,627.2	6,154.4	5,265.3	11,419.7	7,944.8	5,535.6	13,480.4
Kodiak College	2,061.6	1,427.5	3,489.1	2,224.2	1,466.3	3,690.5	2,450.3	1,613.5	4,063.8	2,868.2	1,654.3	4,522.5
Mat-Su College	3,276.8	4,618.4	7,895.2	3,498.3	4,709.0	8,207.3	3,808.7	4,757.6	8,566.3	4,554.5	4,872.1	9,426.6
Prince Wm Snd CC	2,084.6	3,485.1	5,569.7	2,255.7	3,558.9	5,814.6	2,650.8	3,911.7	6,562.5	3,281.2	3,993.9	7,275.1
Total UAA	82,879.4	135,792.8	218,672.2	88,714.9	139,835.2	228,550.1	101,116.6	148,690.8	249,807.4	128,016.2	157,612.0	285,628.2
University of Alaska Fairbanks												
Fairbanks Campus	76,430.5	103,447.5	179,878.0	83,271.1	110,710.6	193,981.7	94,478.3	117,106.7	211,585.0	110,512.8	121,610.5	232,123.3
Fairbanks Org. Res.	16,533.9	115,606.4	132,140.3	16,843.5	120,830.9	137,674.4	19,433.5	125,420.3	144,853.8	32,214.9	144,454.3	176,669.2
College of Rural & Community Development												
Bristol Bay Campus	881.7	1,808.1	2,689.8	937.7	2,072.6	3,010.3	1,016.2	2,162.5	3,178.7	1,297.8	2,189.3	3,487.1
Chukchi Campus	625.7	1,025.9	1,651.6	688.0	1,062.9	1,750.9	735.5	1,038.8	1,774.3	889.3	1,050.6	1,939.9
Cooperative Ext.	3,123.2	3,589.0	6,712.2	3,337.7	4,079.0	7,416.7	3,605.5	4,622.7	8,228.2	4,447.0	4,790.2	9,237.2
Interior-Aleut. Campus	1,197.2	1,919.3	3,116.5	1,315.0	2,338.6	3,653.6	1,356.0	2,562.7	3,918.7	1,733.3	2,600.7	4,334.0
Kuskokwim Campus	2,146.5	2,956.7	5,103.2	2,369.9	3,369.8	5,739.7	2,616.0	3,163.6	5,779.6	3,270.8	3,247.1	6,517.9
Northwest Campus	1,347.1	1,271.6	2,618.7	1,440.4	1,296.5	2,736.9	1,500.3	1,010.8	2,511.1	1,731.2	1,028.3	2,759.5
College of Rural & Com. Dev.	3,738.3	4,042.8	7,781.1	4,090.0	6,833.3	10,923.3	4,477.4	7,638.7	12,116.1	5,486.8	7,681.2	13,168.0
Tanana Valley Campus	3,326.2	4,161.9	7,488.1	3,900.1	3,815.3	7,715.4	4,630.6	5,702.5	10,333.1	5,911.0	5,936.8	11,847.8
Total UAF	109,350.3	239,829.2	349,179.5	118,193.4	256,409.5	374,602.9	133,849.3	270,429.3	404,278.6	167,494.9	294,589.0	462,083.9
University of Alaska Southeast												
Juneau Campus	16,196.2	17,037.3	33,233.5	17,269.8	18,534.5	35,804.3	19,219.7	19,300.7	38,520.4	22,622.0	20,037.7	42,659.7
Ketchikan Campus	1,979.1	2,009.6	3,988.7	2,035.6	2,140.9	4,176.5	2,399.5	2,213.9	4,613.4	2,757.1	2,242.9	5,000.0
Sitka Campus	2,162.6	4,653.3	6,815.9	2,292.6	4,747.2	7,039.8	2,640.1	4,886.2	7,526.3	2,950.2	4,947.3	7,897.5
Total UAS	20,337.9	23,700.2	44,038.1	21,598.0	25,422.6	47,020.6	24,259.3	26,400.8	50,660.1	28,329.3	27,227.9	55,557.2
Revenue Subtotal	231,134.9	434,088.2	665,223.1	248,188.8	466,036.0	714,224.8	282,532.0	491,575.1	774,107.1	351,956.4	528,179.0	880,135.4
Other Appropriations**	697.3	0.0	697.3	77.5	0.0	77.5	2.0	0.0	2.0	2.0	0.0	2.0
Total University	231,832.2	434,088.2	665,920.4	248,266.3	466,036.0	714,302.3	282,534.0	491,575.1	774,109.1	351,958.4	528,179.0	880,137.4

*State Appropriations includes GF, GF/Match, GF/MHT, ACPE Funds, ASTF Funds and Work Force Development Funds.

**Other appropriations in the FY05 budget include \$1.0 in License Plate Revenue, a \$65.0 re-appropriation to UAA, additional Work Force Development funding \$631.3; FY06 includes \$2.5 License Plate Revenue and \$75.0 for the FFA State Director; FY07 includes \$2.0 in License Plate Revenue; and FY08 includes 2.0 in License Plate Revenue.

FY08 Budget Increment Request by Campus/MAU (000's)

Total University of Alaska	FY07 BOR Authorization			FY08 Retirement Requirement			FY08 Adjusted Base Increments			FY08 Priority Program Enhancement & Growth			FY08 BOR Increment Request		
	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds	State Approp.*	Receipts Authority	Total Funds
Systemwide Components Summary															
Reductions & Additions		7,686.8	7,686.8				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increments Requested			0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total SW BRA		7,686.8	7,686.8				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statewide Programs & Services															
Statewide Services	14,232.9	29,211.1	43,444.0	1,259.8	127.2	1,387.0	590.4	518.0	1,108.4	1,215.0	950.0	2,165.0	3,065.2	1,595.2	4,660.4
Statewide Networks (ITS)	9,073.9	9,156.3	18,230.2	556.9	56.2	613.1	1,033.1	994.5	2,027.6	0.0	0.0	0.0	1,590.0	1,050.7	2,640.7
Total SPS	23,306.8	38,367.4	61,674.2	1,816.7	183.4	2,000.1	1,623.5	1,512.5	3,136.0	1,215.0	950.0	2,165.0	4,655.2	2,645.9	7,301.1
University of Alaska Anchorage															
Anchorage Campus	86,052.4	133,142.7	219,195.1	12,568.6	1,284.6	13,853.2	5,414.2	3,098.0	8,512.2	5,332.3	3,845.0	9,177.3	23,315.1	8,227.6	31,542.7
Kenai Pen. Col.	6,154.4	5,265.3	11,419.7	817.6	79.2	896.8	602.8	141.1	743.9	370.0	50.0	420.0	1,790.4	270.3	2,060.7
Kodiak College	2,450.3	1,613.5	4,063.8	297.2	14.5	311.7	120.7	26.3	147.0	0.0	0.0	0.0	417.9	40.8	458.7
Mat-Su College	3,808.7	4,757.6	8,566.3	484.5	41.8	526.3	171.3	72.7	244.0	90.0	0.0	90.0	745.8	114.5	860.3
Prince Wm Snd CC	2,650.8	3,911.7	6,562.5	366.3	26.7	393.0	264.1	55.5	319.6	0.0	0.0	0.0	630.4	82.2	712.6
Total UAA	101,116.6	148,690.8	249,807.4	14,534.2	1,446.8	15,981.0	6,573.1	3,393.6	9,966.7	5,792.3	3,895.0	9,687.3	26,899.6	8,735.4	35,635.0
University of Alaska Fairbanks															
Fairbanks Campus	94,478.3	117,106.7	211,585.0	9,815.2	831.0	10,646.2	4,989.3	3,667.4	8,656.7	1,230.0	285.0	1,515.0	16,034.5	4,783.4	20,817.9
Fairbanks Org. Res.	19,433.5	125,420.3	144,853.8	5,334.1	1,049.8	6,383.9	1,947.3	2,484.2	4,431.5	5,650.0	15,350.0	21,000.0	12,931.4	18,884.0	31,815.4
College of Rural & Community Development															
Bristol Bay Campus	1,016.2	2,162.5	3,178.7	190.2	8.0	198.2	91.4	18.8	110.2	0.0	0.0	0.0	281.6	26.8	308.4
Chukchi Campus	735.5	1,038.8	1,774.3	102.7	4.8	107.5	51.1	7.0	58.1	0.0	0.0	0.0	153.8	11.8	165.6
Cooperative Ext.	3,605.5	4,622.7	8,228.2	642.6	56.6	699.2	198.9	110.9	309.8	0.0	0.0	0.0	841.5	167.5	1,009.0
Interior-Aleut. Campus	1,356.0	2,562.7	3,918.7	262.9	14.2	277.1	114.4	23.8	138.2	0.0	0.0	0.0	377.3	38.0	415.3
Kuskokwim Campus	2,616.0	3,163.6	5,779.6	464.0	23.0	487.0	190.8	60.5	251.3	0.0	0.0	0.0	654.8	83.5	738.3
Northwest Campus	1,500.3	1,010.8	2,511.1	155.1	6.9	162.0	75.8	10.6	86.4	0.0	0.0	0.0	230.9	17.5	248.4
College of Rural & Com. Dev.	4,477.4	7,638.7	12,116.1	612.2	37.3	649.5	253.8	91.4	345.2	143.4	20.0	163.4	1,009.4	148.7	1,158.1
Tanana Valley Campus	4,630.6	5,702.5	10,333.1	788.8	71.7	860.5	258.5	112.6	371.1	233.1	50.0	283.1	1,280.4	234.3	1,514.7
Total UAF	133,849.3	270,429.3	404,278.6	18,367.8	2,103.3	20,471.1	8,171.3	6,587.2	14,758.5	7,256.5	15,705.0	22,961.5	33,795.6	24,395.5	58,191.1
University of Alaska Southeast															
Juneau Campus	19,219.7	19,300.7	38,520.4	1,850.5	106.3	1,956.8	956.8	369.8	1,326.6	595.0	253.9	848.9	3,402.3	730.0	4,132.3
Ketchikan Campus	2,399.5	2,213.9	4,613.4	238.9	10.6	249.5	118.7	25.4	144.1	0.0	0.0	0.0	357.6	36.0	393.6
Sitka Campus	2,640.1	4,886.2	7,526.3	215.2	14.3	229.5	94.9	46.8	141.7	0.0	0.0	0.0	310.1	61.1	371.2
Total UAS	24,259.3	26,400.8	50,660.1	2,304.6	131.2	2,435.8	1,170.4	442.0	1,612.4	595.0	253.9	848.9	4,070.0	827.1	4,897.1
Revenue Subtotal															
	282,532.0	491,575.1	774,107.1	37,023.3	3,864.7	40,888.0	17,538.3	11,935.3	29,473.6	14,858.8	20,803.9	35,662.7	69,420.4	36,603.9	106,024.3
Other Appropriations***															
	2.0	0.0	2.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total University															
	282,534.0	491,575.1	774,109.1	37,023.3	3,864.7	40,888.0	17,538.3	11,935.3	29,473.6	14,858.8	20,803.9	35,662.7	69,420.4	36,603.9	106,024.3

*Other Appropriations in FY07 include \$2.0 in License Plate Revenue; and FY08 includes \$2.0 in License Plate Revenue.

WWAMI Program Expansion

- ❖ WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) is Alaska's medical school
 - Collaborative medical education: 5 states, 6 institutions
 - 35 year history – Alaska was the 1st partner with Washington
- ❖ Need to *increase the net gain* of physicians by 21 per year
 - Actual (current) – gain 78, lose 40 for NET GAIN = 38
 - Needed (current) – gain 100, lose 40 for NET GAIN = 60
 - Future years – need will increase as aging physician population retires
- ❖ WWAMI doubling is a critical part of the overall strategy
 - No single strategy can achieve the needed increase (others: recruitment, retention, residency)
 - Class size same as 1971 when program started, 10 seats per year
- ❖ Why now?
 - Current physician shortage in Alaska
 - Nationwide shortage, worsening over next decade
 - Other states recruiting physicians aggressively
- ❖ Why WWAMI?
 - Cost
 - WWAMI is 2/3 the cost of WICHE *per Alaska physician produced*
 - Cost per medical student below national average (per AAMC)
 - Low in-state student tuition
 - Return on Alaska's investment
 - 7 - 8 WWAMI graduates start practice in Alaska each year
 - 3 years of 4-year medical school available *in Alaska*
 - Excellence in medical education
 - #1 Primary Care, 13 consecutive years (*US News & World Report, 2006*)
 - #1 Rural Health, 15 consecutive years (*US News & World Report, 2006*)
 - #1 Family Medicine, 15 consecutive years (*US News & World Report, 2006*)
 - Alaska WWAMI students excel among WWAMI peers
- ❖ How does WWAMI (medical education) work?
 - Undergraduate – can attend any undergraduate school
 - Application
 - Evaluation based on:
 - GPA (grade point average)
 - MCAT (medical college aptitude test)
 - Interview – ~50 percent of applicants
 - Excellent applicant pool in Alaska/Highly Competitive
 - 78 in 2005-06 for 10 positions
 - 35 to 40 qualified
 - top 30 – indistinguishable GPAs and MCATs
 - Year 1 at UAA – 10 Alaskans / year
 - Year 2 at UW – students from all 5 WWAMI states, 182 students / year
 - Year 3 Clerkships
 - Clinical experiences, ~ 6 weeks each
 - All 3rd year clerkships offered in Alaska
 - Year 4 Clerkships
 - Clinical experiences, ~ 4 to 6 weeks each
 - Most 4th year clerkships available in Alaska
 - Practicing Physicians
 - Participate in WWAMI education – clerkships, R/UOP, WRITE, etc.
 - Are supported by WWAMI MedCon, free phone consultation service

Note: A Physician Supply Task Force report issued in August 2006 is available at www.alaska.edu/health

Summary Projected Costs and Revenue for Doubling Class Size, WWAMI FY08

Investments in University of Alaska, University of Alaska Anchorage

Projected Operating Budget	Total	Projected Revenue	Total
Personnel (2 new faculty in clinical and microbiology areas; associated support staff)	\$250,000	Legislative Appropriation	\$280,000
Travel, Contractuals, Commodities	\$80,000	Tuition Revenue	\$50,000
Total	\$330,000	Total	\$330,000

Projected One-Time Capital Costs	Total	Projected One-Time Revenue	Total
Classroom furniture/renovations	\$55,000	Legislative Appropriation FY07	\$475,000
Renovation – Office space, research labs, study space	\$595,000	Legislative Appropriation FY08	\$475,000
Laboratory upgrade/renovations	\$100,000		
Faculty start-up research packages	\$200,000		
Total	\$950,000	Total	\$950,000

Added Payments to University of Washington for Years, 2, 3, and 4 of Program

	FY08	FY09	FY10	FY11	FY12-ongoing*
Additional 10 students 2 nd Year		\$505,558	\$505,558	\$505,558	\$505,558
Additional 10 students 3 rd Year			\$520,371	\$520,371	\$520,371
Additional 10 students 4 th Year				\$321,939	\$321,939
Total		\$505,558	\$1,025,929	\$1,347,868	\$1,347,868

* The cost increments annually based on inflation – not included for FY12.
More than half (~59%) of all WWAMI income, from years 1 through 4 is spent in Alaska.

Total Investments

FY 07 \$ 475,000 in one-time capital (already allocated)
 FY 08 \$ 475,000 in one-time capital (requested this year)
 FY 08 \$ 280,000 in base support at UAA (requested this year)
 FY 09 \$ 505,558 in base for payments to UW
 FY 10 \$1,025,929 in base for payments to UW
 FY 11 \$1,347,868 in base for payments to UW

The University of Alaska's Need for Network Capacity

Research today is predicated on abundant bandwidth and ease of transmission of ever larger files and data sets in real-time. There are a handful of instances where UA researchers have been unable to compete for research dollars based on inability to meet minimum bandwidth connectivity. These instances are increasing.

Outside Alaska, the state of research and education networks is rapidly evolving into a high speed network handling massive data flows and real-time interactions. The current base national research network in the contiguous 48 states has 64 times more capacity than the primary University of Alaska network connection outside the state. It is becoming standard operations for lower 48 schools, consortia and regional networks to acquire either ownership of fiber optic strands or long term agreements called an IRU – Irrefutable Right of Use – for significant bandwidth.

The solution is for UA to enter into a similar arrangement with an Alaskan carrier (an IRU or other access to fiber optic capacity) to connect Alaska with the rest of the national research and education networks on an equal footing.

The \$30M capital request for broadband connectivity in the FY08 budget is largely to address this situation. The request is split between a \$20M state appropriation and \$10M in receipt authority. A number of other states (Texas, Louisiana, and Iowa to name a few) have made similar investments in next generation internet infrastructure. While there are possibilities for federal funding to assist in this investment, until the state shows a desire to do so, it will be difficult to attract such funding.

This request will benefit all university campuses, programs and departments. While it does not solve the persistent problems of adequate connectivity to rural areas, it is a necessary ingredient that contributes to solving that problem. Through the recently developed AK20 network that includes the participation of the state's carriers, K-12 schools, libraries, museums and other eligible entities will be able to access advanced educational and research networks through the university.

The university cannot rent itself to competitiveness. While it would not be a straight line estimate, based on the rates paid today by UA for optical fiber bandwidth, the cost to connect Alaska to the national research network with just 25 percent of the capacity of that backbone would be in the neighborhood of \$8M to \$10M per year, neither affordable nor reasonable.

The infrastructure exists for sufficient high speed connections between Alaska and the lower 48. What is lacking is a business plan that is workable for both the university and the carriers.

FACT SHEET

Biosciences Facility (BIOS)

Meeting research and teaching needs

NEW CONSTRUCTION: Fairbanks

Goals:

- Meet the challenges of the UAF Strategic Plan 2010 by providing required infrastructure for research and academic expansion and consolidating strong, growing programs in adjacent technology-appropriate facilities
- Meet critical space needs in research to attract and retain talented investigators who in turn secure competitive research grants
- Provide modern facilities to ensure that students are prepared for careers in the life sciences
- Ensure appropriate learning and working environments for students and staff and compliance with contemporary accessibility standards



Background

To meet UAF's Strategic Plan 2010 goals and maintain high standards of instruction, training and research, UAF must develop modern facilities to accommodate research and teaching needs in the life sciences. This facility will help UAF meet its research potential through collaborative initiatives with business, other research institutions, government agencies and communities. These collaborative efforts will foster the sharing of resources while creating opportunities for expanding programs.

This project represents the final piece of a multiyear programmatic plan to address UAF's critical space needs. There were five priorities: animal care facilities, space for computational sciences, biosciences research, biosciences teaching and the state virology lab. UAF was able to address some priorities, in part, through a 2003 construction bond. The virology lab was addressed separately.

•**West Ridge Research Building**-Built in 2004, and funded at 80 percent by research activity and 20 percent by a general obligation bond, which also funded West Ridge utilidor upgrades

•**Biological Research and Diagnostics Facility**-Built in 2006, accommodates animal care needs and research in infectious diseases

•**Alaska State Public Health Virology Laboratory**-Expected groundbreaking in 2007, UAF will pay for 5,000 square feet of unfinished space in the basement of the state-owned, state-funded building

•**Biosciences Facility**-The FY08 capital request completes the much-needed teaching component, to the benefit of students in the life sciences, by providing adequate teaching and research space. If funded, the proposed construction dates are 2008-2012.

Project Scope

Once complete, the Biosciences Facility will provide multiuse lab and classroom space for life science research and academic needs. BIOS includes two major components: research and teaching.

The research component will provide nearly 65,000 square feet of biological research lab space and versatile labs to accommodate many scientists.

The teaching component will provide 35,000 square feet of academic classroom and teaching lab space and integrates both research and teaching. Consolidation of research and teaching space eliminates the need for redundant labs, equipment, and support systems. Centralized office space for biology faculty will make it easier for students to access their professors.

Additionally, the project will address parking, new site utilities such as storm and sanitary wastewater collection and extension of the utilidor. Funding will also increase the steam capacity to West Ridge and BIOS by installing new steam piping inside new and existing utilidors. This expansion will provide the required heat source for the new facility and eliminate the need for a satellite heating plant.

The building will be constructed in one phase and one facility to take advantage of lab and faculty office adjacencies. Design development and contractor selection are moving forward for this project and the site has been selected.

Economic Impact

The McDowell Group, Inc. was hired to assess the direct and indirect economic impact as a result of this construction project as it relates to the Fairbanks and Anchorage economies.

The overall direct and indirect impact of a \$105 million construction project in Fairbanks equates to \$174 million in total direct and indirect economic output in Alaska, including \$80.8 million in labor income, and annual average employment of 385 workers over a four-year construction period. Approximately, 10-15 percent of the total project-related economic activity will flow into Southcentral Alaska, primarily Anchorage.

Estimated Total Project Costs

FY08 capital request	\$105 million
New construction.....	110,000 gross square feet

Visit www.uaf.edu/bios/ for more information.

PERS/TRS Direct Funding Method

Actions by the Alaska Retirement Management Board (ARM), the Legislature, and the Governor to assure a solvent retirement system are laudable and the university supports their efforts. It is in this spirit that the **Board of Regents recommends that lawmakers change the method by which appropriations are made to the retirement fund in order to avoid potentially disastrous consequences.**

The ARM Board recently increased the employer contribution rate for the Teachers' Retirement System (TRS) by 54 percent. This will create a requirement for a \$186M funding increase from the state to the retirement system. This is just for the TRS portions of the state's system. The university's share of that bill is about \$13M. If this increase is appropriated in the same manner as it has been in the past, each state entity, in this case the schools and university, will be charged for their portion of the increase and then the money to cover the charge will be appropriated to them in the state's budget. Ultimately, the school districts and the university will make the payment into the retirement system on behalf of their employees. As a result, UA and the districts will have to build that rate increase into their respective personnel budgets - they will have to carry it on their books.

Consequently, the K-12 foundation formula will need to be statutorily changed to accommodate a significant increase that will not carry with it any corresponding benefit to students or school districts. For UA the increase will be added to the staff benefit rate which must be included in bids for most major research grants. Overnight, UA will lose much of its competitiveness in seeking valuable non-general fund dollars as the overhead rates skyrocket.

However, if the legislature appropriates the money needed to cover this liability directly to the retirement system, instead of to the university and districts, it can avoid potential problems. The annual payment option for TRS will allow legislators to avoid artificially inflating benefit rates as they seek to reduce the growing pension liability. The governor and the legislature should be encouraged to support this direct funding scenario as a measure to protect the state's educational entities.

Why the differences between PERS and TRS matter

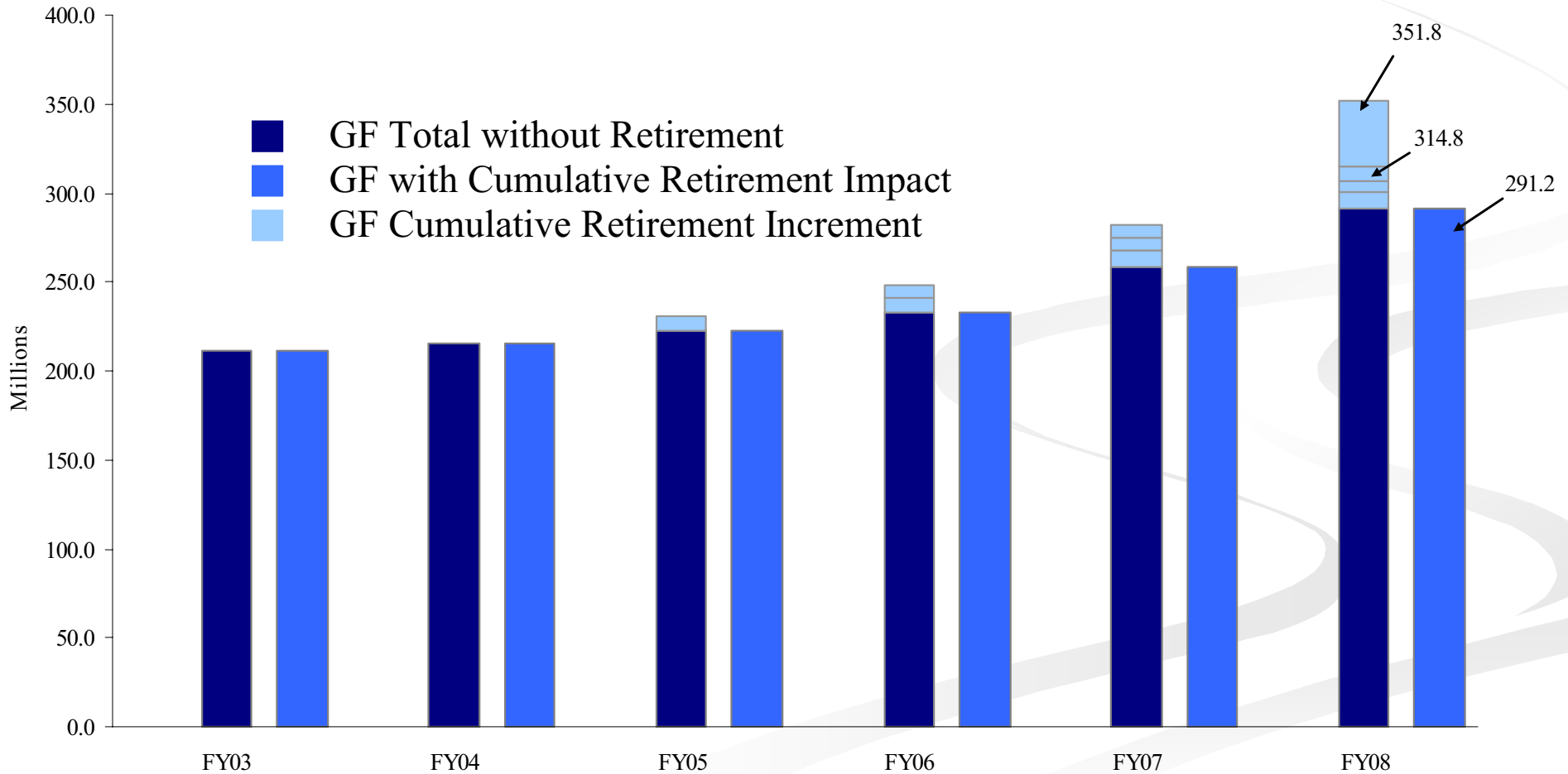
Though PERS and TRS are designed to achieve the same thing there are some differences between them that are important. TRS, the retirement system designed for the education community, is a shared responsibility system. Participating employers pay a set amount to the state, almost like a premium, to cover the cost of each employee. The state charges the employer based on the number of employees they have and then appropriates money to cover those charges in the state budget document. When an employee leaves, the liability associated with them is no longer carried by their former employer. Instead, the liability is pooled and future rate adjustments ostensibly cover the associated cost of that

liability. The cost is ultimately borne by all participating employers in the TRS system and accounted for within the rate.

This way of accounting for TRS can cause problems and ultimately end up costing the state money. When employees leave, the district or university is relieved of the liability associated with that employee. However, the amount they received to cover those costs remain in their base funding. Ultimately, because it is fungible, that money can be used to cover any other operating expenses. If the state were to appropriate money to cover TRS retirement costs directly to the retirement system this would not happen because it would never go into the base in the first place.

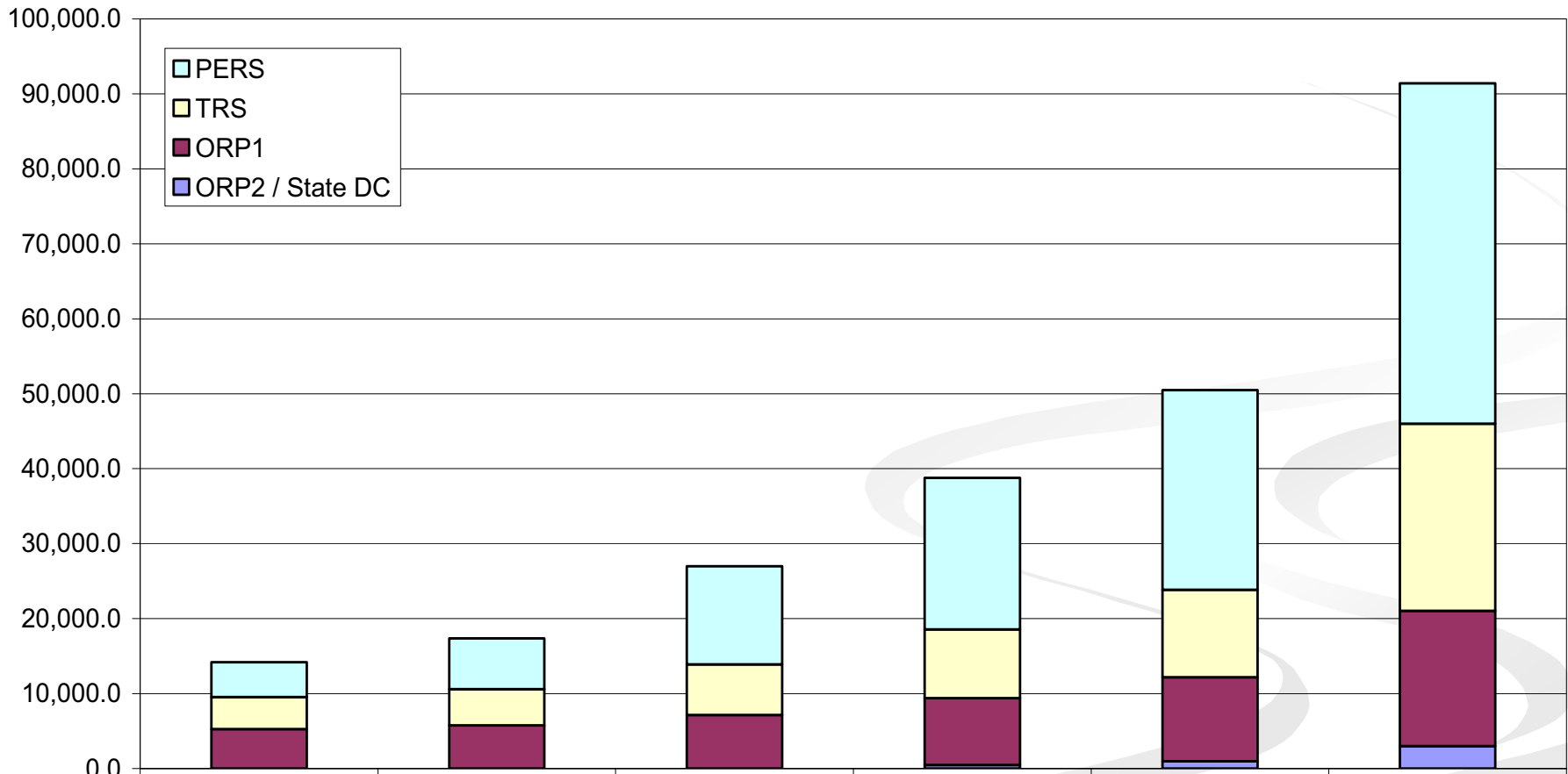
Retirement Impact

University of Alaska
Impact on State Appropriation from Retirement Increases



Retirement Impact

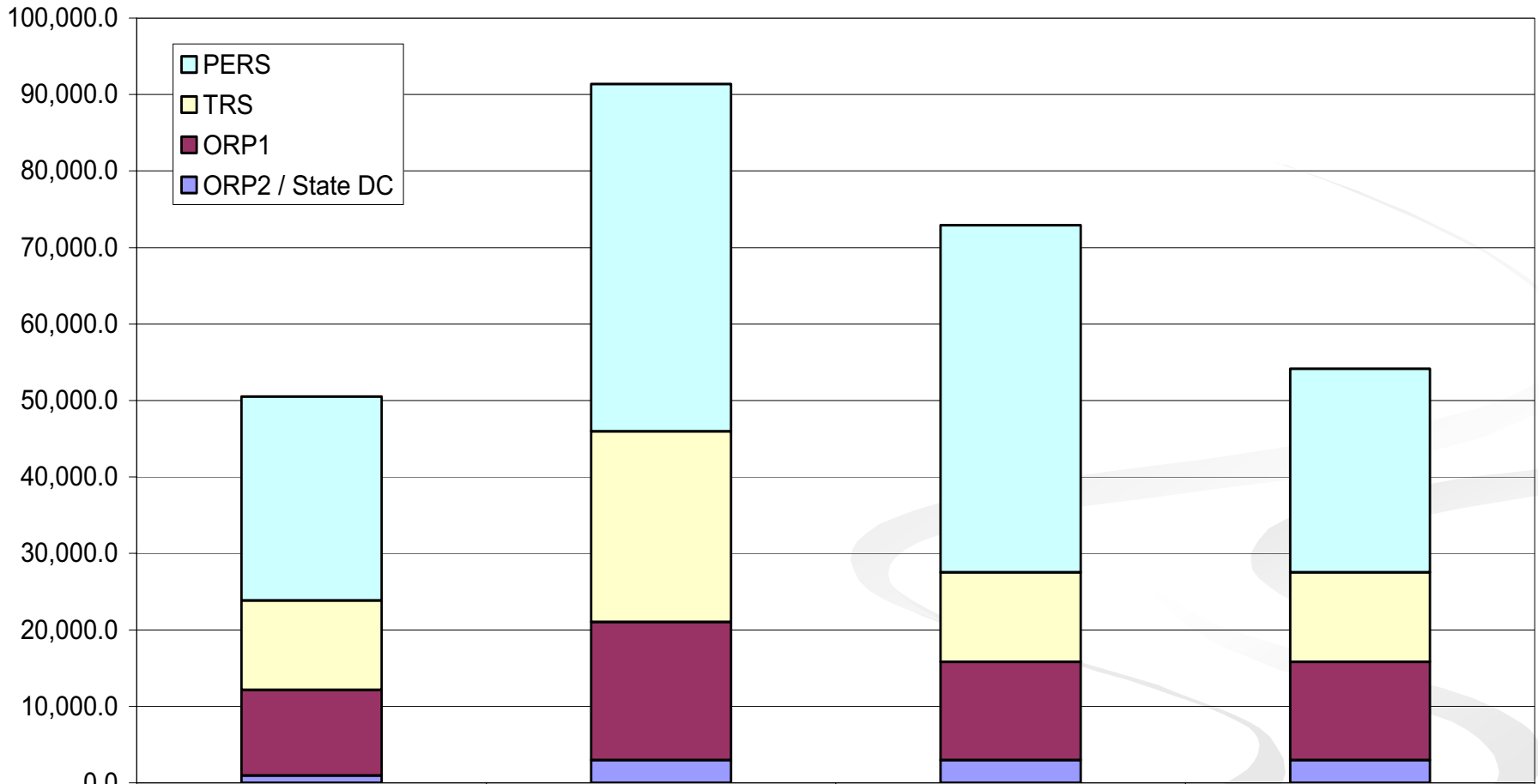
University of Alaska Retirement Cost Trend by Program FY03-FY08



	FY03	FY04	FY05	FY06	FY07 est	FY08 proj
■ PERS	4,647.1	6,731.8	13,074.8	20,226.2	26,635.6	45,402.8
■ TRS	4,281.5	4,860.5	6,769.1	9,167.7	11,687.6	24,954.9
■ ORP1	5,266.3	5,762.0	7,133.4	8,908.2	11,196.4	18,028.5
■ ORP2 / State DC				484.3	984.3	3,005.7

Retirement Impact

University of Alaska
Retirement Cost Trend by Program with Multiple FY08 Scenarios



	FY07 est	Full Actuarial FY08 proj	Frozen TRS FY08 proj	Frozen PERS & TRS FY08 proj
PERS	26,635.6	45,402.8	45,402.8	26,635.6
TRS	11,687.6	24,954.9	11,687.6	11,687.6
ORP1	11,196.4	18,028.5	12,827.1	12,827.1
ORP2 / State DC	984.3	3,005.7	3,005.7	3,005.7

The University of Alaska is an EEO/AA employer and educational institution.

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